Comprehensive Annual Financial Report 2000

Government of the District of Columbia

Office of the Chief Financial Officer

YEAR ENDED
September 30, 2000

ANTHONY A. WILLIAMS
MAYOR

January 26, 2001

Dear Citizens of District of Columbia:

With immense pride, I present the District of Columbia's Fiscal Year 2000 Comprehensive Annual Financial Report. This audit shows that the city's finances are in order, our budget is balanced and we completed Fiscal Year 2000 with a surplus of $240.7 million.

For our citizens, this means that in four short years we have moved from financial crisis to financial stability. We are able to invest in citizens' priorities: strong schools, safe streets, clean communities, affordable housing, reliable transportation and access to health care. Most importantly, the District has met the major requirement for ending the Congressionally mandated control period: four years of balanced budgets. The District now begins its return to normal government – a city where the elected officials have full authority to govern.

I would like to acknowledge the leadership and oversight of the District of Columbia Council in the financial recovery of the city. In addition, this important milestone in the District's return to self-government would not have been possible without the leadership of Financial Authority Chairs Alice M. Rivlin and Andrew F. Brimmer; Financial Authority members Constance B. Newman, Robert P. Watkins, Eugene Kinlow; and former members Stephen D. Harlan, Joyce Ladner, Edward D. Singletary, and Darius Mans. On behalf of the citizens of the District of Columbia, I would like to take this opportunity to thank these committed individuals for their tireless service to the District.

Finally, the District's financial turnaround would not have been possible without the hard work and dedication of all the employees of the Office of the Chief Financial Officer. The financial managers, auditors, accountants, budget analysts, and customer service representatives set a high standard of professionalism and integrity that is to be commended. I am proud of each and every employee working in the financial sector of this government.

The citizens of the District have set an ambitious agenda for our great city. I am proud to report we have the financial stability to support this agenda.

Sincerely,

Anthony A. Williams
Mayor

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer

January 26, 2001

The Honorable Anthony A. Williams
Mayor of the District of Columbia
441 4th Street, N.W.
Washington, D.C. 20001

Dear Mayor Williams:

I am pleased to present the District of Columbia's Fiscal Year 2000 Comprehensive Annual Financial Report. The District ended FY 2000 with General Fund revenues exceeding expenses by $240.7 million and received an unqualified audit opinion from its independent auditors. The District's General Fund balance at the close of FY 2000 stood at $464.9 million. This compares to a negative fund balance of $518 million at the end of FY 1996, a turnaround of nearly a billion dollars over the past four years.

This represents the fourth consecutive year of financial recovery for the District of Columbia in which we have ended the fiscal year with a budget surplus and an unqualified audit opinion, setting the stage for the end of the financial control period started in 1995. Last year, the University of the District of Columbia and the District of Columbia Health and Hospitals Public Benefit Corporation failed to receive unqualified opinions on their respective individual financial reports. This fiscal year, both of these organizations and all other District of Columbia Government component units received an unqualified opinion on their individual financial reports, a further sign of financial improvement.

I believe we are well positioned to continue this progress. From a financial systems standpoint, we have instituted monthly closings and reconciliation of cash, which will give us a much better picture of our financial posture as we go through the year. As regards to financial management, we are building an emergency cash reserve and expect to have approximately $100 million in this account by the end of FY 2001. These steps, along with a FY 2000 ending fund balance of $464.9 million, should positively affect the District's bond rating, contributing to lower borrowing costs in the future.

I would like to commend the many employees, both financial and program staff, who have worked diligently to assure a successful closure of the District's books and ensure that our records met the high standards required for an unqualified audit opinion. As we further refine our financial systems and processes, it is my firm expectation that this recurring audit requirement will become a routine event in the overall financial management of the District of Columbia.

Sincerely,

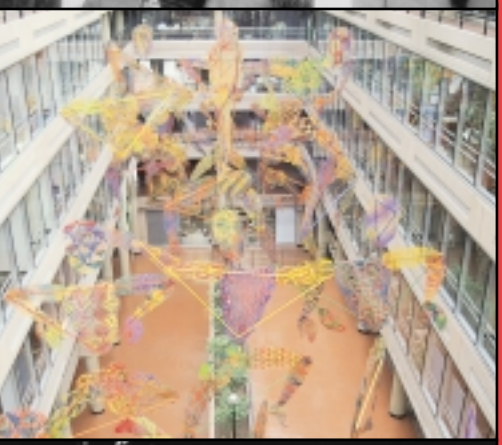
Natwar M. Gandhi
Chief Financial Officer

Government of the District of Columbia
Comprehensive Annual Financial Report
Year Ended September 30, 2000

Prepared by:

Office of the Chief Financial Officer
Office of Financial Operations and Systems

Anthony F. Pompa
Deputy Chief Financial Officer
810 First Street, NE
Washington, D.C. 20001



Introductory Section

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Government of the District of Columbia

Office of the Chief Financial Officer

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2000

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January 26, 2001

Dr. Natwar M. Gandhi
Chief Financial Officer

Management Responsibility

The comprehensive annual financial report of the Government of the District of Columbia for the fiscal year ended September 30, 2000, is herewith submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups, and component units of the District. This report includes all disclosures necessary to enable the reader to gain an understanding of the District's financial activities.

Report Sections

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements, the combining and individual fund statements and schedules, and the independent auditors' report on the general purpose financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

Financial Reporting Entity

A financial reporting entity consists of a primary government and its component units. The primary government is the District, which consists of all the organizations that make up its legal entity. The District of Columbia Financial Responsibility and Management Assistance Authority (Financial Responsibility Authority) is presented as a blended component unit, as required by generally accepted accounting principles (GAAP) applicable to governmental entities.

The Public Benefit Corporation, Water and Sewer Authority, Convention Center, Sports Commission, Housing Finance Agency and University of the District of Columbia are legally separate organizations for which the elected officials of the District are financially accountable. The financial data of these component units are reported separately from the financial data of the primary government.

The District of Columbia Housing Authority is a legally separate organization for which the District is not accountable until it begins to appoint a voting majority of the board after receivership terminates. The Housing Authority was placed into receivership by order of the Superior Court of the District of Columbia on May 19, 1995. It was returned to the District's control in September 2000. Transactions between the Housing Authority and the District are presented in the notes to the financial statements.

The Washington Metropolitan Area Transit Authority is a legally separate organization that is owned, operated and governed by Maryland, Virginia and the District as a joint venture in which the participants retain an ongoing financial responsibility. Transactions between the Transit Authority and the District are presented in the notes to the financial statements.

Economic Condition and Outlook

As the nation's capital, the District of Columbia is the seat of the three branches of the federal government and headquarters for most federal departments and agencies. The federal work force in the District averaged 183,570 employees in 1999 while an additional 142,000 federal employees worked elsewhere in the metropolitan area. This represents a 4% decrease in the federal work force of 195,540 in 1996. Although both the District and the federal governments employ fewer people, the revitalization of the District's economy is continuing.

In addition to its role as the Nation's Capital, the District hosts more than 175 foreign embassies and recognized diplomatic missions. A number of international organizations have their headquarters in the District, including the International Monetary Fund, the World Bank, the Inter-American Development Bank, and the Organization of American States.

More than 400 museums and historical landmarks attract millions of visitors to Washington, D.C. each year. In addition to the popular attractions along the national Mall, the monuments to presidents and the memorials of war, tourists visiting Washington also discovered their American heritage at the National Arboretum and the Kenilworth Aquatic Gardens in Northeast Washington, at Fort Stevens and the National Museum of Health and Medicine at the Walter Reed Army Medical Center on the Georgia Avenue Corridor, and at the Congressional Cemetery and Fort Dupont Park in Southeast. With its variety of activities and rich history, Washington, D. C. was voted a top destination for family travelers in the spring of 2000.

In 1998, approximately 21.2 million people visited the Washington area and spent a total of $5.91 billion for lodging, meals, retail purchases and services. This direct visitor spending generated additional activity through indirect local economic growth in the form of jobs in related industries, wages and tax revenues.

Although many people assume that the District is filled only with life-long politicians and government workers, the city has developed into a diverse economic community, as service industries overtake the federal government as the employment base. Expansion in legal services, high-speed Internet technology and communications provide employment. The District is home to several major institutions of higher learning, and other universities from across the nation have established programs or campuses in and around the city. The District has 18 acute and long-term care facilities, including medical centers and hospitals for children and members of the military, and a regional shock and trauma center. The headquarters of more than 2,500 national trade associations, voluntary societies and labor organizations are also located in the District. The vacancy rate for commercial office space is the lowest in 10 years.

Total employment in the metropolitan area was 2,629,600 in 1999 and 2,249,800 in 1998. Because this number excludes self-employed, domestic workers, military, and foreign government personnel, it excludes significant portions of the actual work force employed in the region. District employment stayed at approximately 23% of the area total during both years. The November unemployment rate in the District was 5.7% compared to 5.9% in September 1999.

Total employment within the District increased to 619,900 in 2000 from 616,400 in 1999. The government portion of District jobs decreased at the same time that total employment increased, suggesting that new jobs occurred in the private sector. Private sector employment in 1999 increased slightly in the areas of services and finance, insurance, and real estate.

Current development projects in retail, entertainment, tourism, and housing support the expectation of additional growth in private sector employment over the next several years. A number of national retail and food service chains have already moved into renovated commercial spaces across the central business district, and similar projects are appearing in surrounding areas. XM satellite radio recently celebrated the grand opening of its new headquarters at the end of the New York Avenue technology corridor, and MCI WorldComm and Qwest communications have agreed to establish data warehouses nearby.

Preliminary estimates indicate that between now and 2005, District employers will have a high demand for workers below the managerial, professional, and technical levels. Hundreds of positions are expected to open in the service sector, particularly in food service, janitorial, and housekeeping positions. Administrative support staff, including first line supervisors, will also be in high demand.

The anticipated increase in total employment marks an important milestone in the District's shift to an economy that is stable and less dependent on the federal government. It appears that the trend for federal operations to move into suburban areas is slowing, and the District's economic base is continuing its shift from government towards private sector services employment. Of even greater impact would be the increased percentage of District residents who occupy these jobs.

The official U.S. Census counted 572,059 District residents in 2000, indicating that estimates of flight from the District had been overstated in Census estimates during the last several years. Actual population loss was 5.7% over the last ten years,

almost 60% less than the estimated losses predicted by the Census. Those same estimates predicted that the District population would not reach its current level for approximately five more years. The city's population decreased 16% between 1970 and 1980, and an additional 5% between 1980 and 1990.

The District also has a significant number of lower income residents with 19.7% of the population in poverty according to a 1999 census report and 24% of the population receiving Medicaid benefits in 19978. Food stamp program participation covered 114,636 persons in 1998, or 22% of the population.

Major Initiatives

The new Washington Convention Center, currently in its third year of construction, is scheduled to open in March of 2003, it is expected to provide the District with 725,000 square feet of additional meeting and exhibition space. . In 1995, the District established the Washington Convention Center Authority to operate the existing convention center and to construct a new convention center using dedicated tax revenues. With the existing facility, the total exhibitor and meeting space will exceed 1,000,000 square feet. These facilities will enable the District of Columbia to maintain its position among major cities as a leader in conventions, conferences and the hospitality industry in general. Like the MCI Center, a privately financed sports arena that opened in 1997, the Convention Center project will provide not only opportunities for direct employment in its operations, but is expected to create new jobs in the District's hospitality industry.

The Freedom Forum, currently based in northern Virginia, has arranged to purchase the site of the District's Department of Employment Services (DOES). In addition to its main offices, the Freedom Forum will bring its Newseum, an interactive news museum, expand exhibit space to 300,000 feet, and develop both an additional 30,000 square feet of retail space and approximately 100 condominiums. The cash price of approximately $100 million includes a minimum of $50 million designated for the development of affordable housing and neighborhood commercial revitalization. In keeping with the District's neighborhood revitalization strategy, DOES operations will be transferred to another area of the city currently targeted for development.

While building on the already popular tourism industry, projects such as these only partially address the District's need to build a strong economic base. Both the U.S. Congress and the D.C. Council have enacted legislation that reaches towards expansion of the District's permanent tax base by making all areas of the city economically attractive to both residents and new business interests.

The Taxpayer Relief Act of 1997 (PL 105-34) established the District of Columbia Enterprise Zone through December 31, 2002. The new zone consists of the previously existing enterprise community plus all other census tracts for which the poverty rate is at least 20%. The law also increased the limitation on tax-exempt economic development bonds to $15 million; eliminated the federal capital gains tax through December 31, 2007 on business stock, partnership interest, and business property held for more than five years in all census tracts for which the poverty rate is at least 10%. The federal Homebuyer Tax Credit, which provides a maximum $5,000 federal income tax credit for first-time buyers of principal residences, was also included in the original Taxpayer Relief Act of 1997; it has since been extended for purchases closed through December 31, 2003, as were the business tax benefits.

The Tax Parity Act of 1999 lowered taxes on both income and real property. The new tax rates are expected to make the District more competitive with the suburban jurisdictions. The Tax Clarity Act of 1999 streamlined the tax code, eliminating duplications and discrepancies. During the same period, real property tax assessments have continued to reverse their decline and collections of both current and delinquent taxes have increased.

Additional business incentive legislation is awaiting final approval by the District and the U.S. Congress. The E-Conomy Transformation Act of 2000 encourages new high technology firms to locate their operations in the District while encouraging the hiring of District residents as employees. Brownfields redevelopment program legislation, which has proven successful in other jurisdictions, limits liability for certain environmental contamination and establishes funding mechanisms for those willing to develop brownfields sites.

The Office of the Chief Financial Officer negotiated and certified three new projects for participation in the Tax Increment Financing (TIF) Program this year. Because the final terms of TIF are determined project-by-project, the District is able to influence certain conditions of each operation, including the percentage of District residents employed both during and after construction. Twelve industrial revenue bonds provided another $602 million for local development projects. Buoyed by the recent successes on the New York Avenue technology corridor, the District is actively proceeding with plans to restructure the economic base of underserved neighborhoods throughout the District. Surplus school properties have been sold and local

redevelopment options for both residential and retail investment are under discussion for a variety of sites outside of the central business area.

The National Capital Revitalization and Self-Government Improvement Act of 1997 (Revitalization Act) became effective on October 1, 1997. The Revitalization Act created many financial and structural changes between the District and the federal government. The federal Medicaid reimbursement rate was increased to 70% from 50%. The debt service limitation was increased to 17% of general fund revenues from 14%. The federal government assumed pension costs for services rendered prior to July 1, 1997. The federal payment in lieu of taxes was eliminated and a variable federal contribution may be provided as necessary to reflect restrictions and unusual costs imposed on the District. The District's court and felony offender systems were transferred to the federal government.

A significant portion of the budget for FY 2000 focused on completing a backlog of infrastructure and service delivery needs. The Public School System requested the largest increase of any agency, in order to address needs in both programs and facilities, particularly for special education students, and physical plant.

The District of Columbia College Access Act (PL 106-98) authorized the District to underwrite a portion of the differences between in-state and out-of-state tuition rates for eligible District residents who attend certain institutions outside of the District. Additional federal incentives under separate legislation provide a variety of support to those who adopt children from the District's foster care system, including tax credits and health care coverage.

An annual reserve of $150 million is required to be set aside from any surplus at the end of the fiscal year. These funds may be used for one-time, extraordinary items, with the approval of the Authority and the U.S. Congress. They may not be used for operating expenses. Funds received from the Tobacco Settlement will be segregated for certain bond issues. The bond proceeds will be used to retire debt.

The District must also build and maintain an emergency cash reserve equaling 4% of the total budget allocated for operating expenditures by FY2004. An additional contingency cash reserve must be established, which must equal 3% of the total budget allocated for operating expenditures. Beginning in FY 2007, the District will be required to maintain a combined balance of 7% for both reserves.

The control of the majority of daily operations was transferred back to the Mayor of the District of Columbia from the Financial Responsibility Authority. Another receivership is scheduled to be returned this year. Most importantly, the District's control period is likely to be suspended upon certification of achieving the following four financial and economic actions: 1) The discharge of any obligations made by the Financial Responsibility Authority on behalf of the District; 2) The repayment of any borrowings from the U.S. Treasury by or on behalf of the District; 3) Adequate access to both the short and long-term credit markets; 4) Four consecutive general fund surpluses, as determined through generally accepted accounting principals (GAAP).

Accounting System

The District's accounting system is organized and operated on a fund basis. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenues, and expenditures/expenses. The types of funds used are determined by generally accepted accounting principles. The number of funds established within each type is determined by principles of sound financial administration. Specialized accounting and reporting principles and practices apply to governmental and expendable trust funds. Proprietary, component units, and pension trust funds are accounted for in the same manner as similar business enterprises or non-business organizations.

Internal Control

Management of the Government of the District of Columbia is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are processed and summarized to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District maintains budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget approved by the United States Congress. A project-length financial plan is adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within the General Fund. The District also maintains an encumbrance recording system as one technique of accomplishing budgetary control. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Funds.

The annual appropriated budget is enacted on a basis that is not consistent with generally accepted accounting principles (GAAP) because of differences that result from budgeting inventory, Medicaid (through 1996), and certain pensions, certain other employee benefits, and other expenditures on a cash basis, and from budgeting dedicated tax revenues to the benefiting fund rather than to the fund with the authority to levy and collect the tax. The budgetary general fund differs from GAAP by including the Financial Responsibility Authority special revenue fund and the University discretely presented component unit and by excluding the Correctional Industries and Retirement Board. The Financial Responsibility Authority recognizes budgetary expenditures when orders and contracts are issued rather than when goods and services are received.

As with the financial section, all amounts presented in the remainder of this letter are expressed in thousands. Certain 1999 amounts have been reclassified for comparability.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus.

Table 1 – General Fund Operations Summary ($ in 000's)

	2000	1999	Increase/ (Decrease)	Percent
Revenues	$ 5,304,942	4,779,609	525,333	11.0 %
Expenditures and net uses	5,064,215	4,923,515	140,700	2.9
Excess (Deficiency)	$ 240,727	(143,906)	384,633	267.3 %

The General Fund had a positive total fund balance of $464,937 on September 30, 2000, represented by assets of $1,611,580 less liabilities of $1,146,643 . The fund balance is reserved in the amount of $474,583 for those funds that are not available for general expenditure within one year. The General Fund operations are summarized in Table 1. The General Fund changes in cash and investments are summarized below in Table 2. Table 3 presents revenues by source class for the current year and the amount and percentage of increases and decreases in relation to prior year revenues.

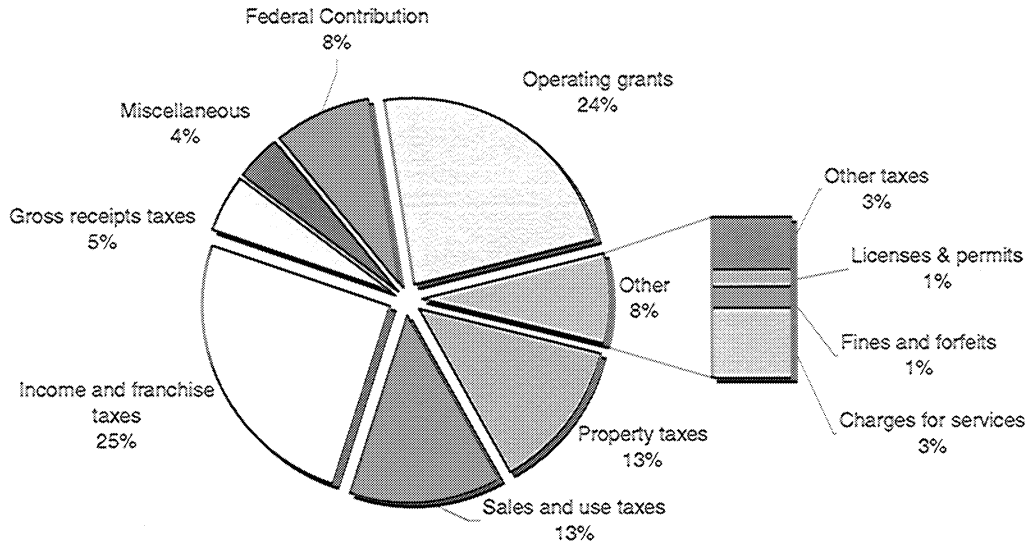
Table 2 – Changes in Cash and Investments ($ in 000's)

	2000	1999	Increase/ (Decrease)	Percent
Cash receipts	$ 5,465,082	5,377,845	87,237	1.6 %
Cash payments	5,201,740	5,352,282	(150,542)	(2.8)
Increase	$ 263,342	25,563	237,779	930.2 %

Table 3 – Revenues by Source Class ($ in 000's)

Source Class	2000 Amount	2000 Percent	Increase (Decrease) from 1999 Amount	Increase (Decrease) from 1999 Percent
Property taxes	$ 692,781	13.1 %	$ 13,231	1.9 %
Sales and use taxes	698,861	13.2	21,838	3.2
Income and franchise taxes	1,338,564	25.2	168,813	14.4
Gross receipts taxes	256,033	4.8	37,128	17.0
Other taxes	141,610	2.7	(5,723)	(3.9)
Total taxes	3,127,849	59.0	235,287	8.1
Licenses and permits	44,446	0.8	(3,801)	(7.9)
Fines and forfeits	54,865	1.1	7,071	14.8
Charges for services	174,438	3.3	(102,242)	(37.0)
Miscellaneous	214,518	4.0	42,928	25.0
Total District sources	3,616,116	68.2	179,243	5.2
Federal Contribution	435,381	8.2	277,413	175.6
Operating grants	1,253,445	23.6	68,677	5.8
Total Federal sources	1,688,826	31.8	346,090	25.8
Total revenues	$ 5,304,942	100.0 %	$ 525,333	11.0 %

Figure 1 – Revenue by Source Class



The Table 4 summary presents expenditures and uses by function for the current year and the amount and percentage of increases and decreases in relation to prior year expenditures and uses. Table 5 presents current expenditures by object class for the current year and the amount and percentage of increases and decreases in relation to prior year current expenditures.

Table 4 Expenditures and Uses by Function ($ in 000's)

Function	2000 Amount	2000 Percent	Increase (Decrease) From 1999 Amount	Increase (Decrease) From 1999 Percent
Current expenditures:				
Governmental direction	$ 247,664	4.9 %	$ (82,124)	(24.9) %
Economic development	180,443	3.5	18,619	11.5
Public safety and justice	924,843	18.3	(16,654)	(1.8)
Public education system	899,763	17.8	65,553	7.9
Human support services	1,552,495	30.7	186,029	13.6
Public works	135,067	2.7	2,337	1.8
Receiverships	366,961	7.2	(30,474)	(7.7)
Future employee benefits	13,968	0.3	(88,129)	(86.3)
Total	4,321,204	85.4	55,157	1.3
Joint Venture Subsidy	135,531	2.7	3,927	3.0
Debt service:				
Principal	220,054	4.3	(6,480)	(2.9)
Interest and fiscal charges	175,058	3.5	(23,442)	(11.8)
Other financing uses:				
Net refunding proceeds	(2,689)	(0.1)	31,610	(92.2)
Uncollectible Advances - Prior Years	41,415	0.8	41,415	-
Transfers	173,642	3.4	38,513	28.5
Total expenditures and uses	$ 5,064,215	100.0 %	$ 140,700	2.9 %

Figure 2 – Current Expenditures by Functions ($ in 000's)

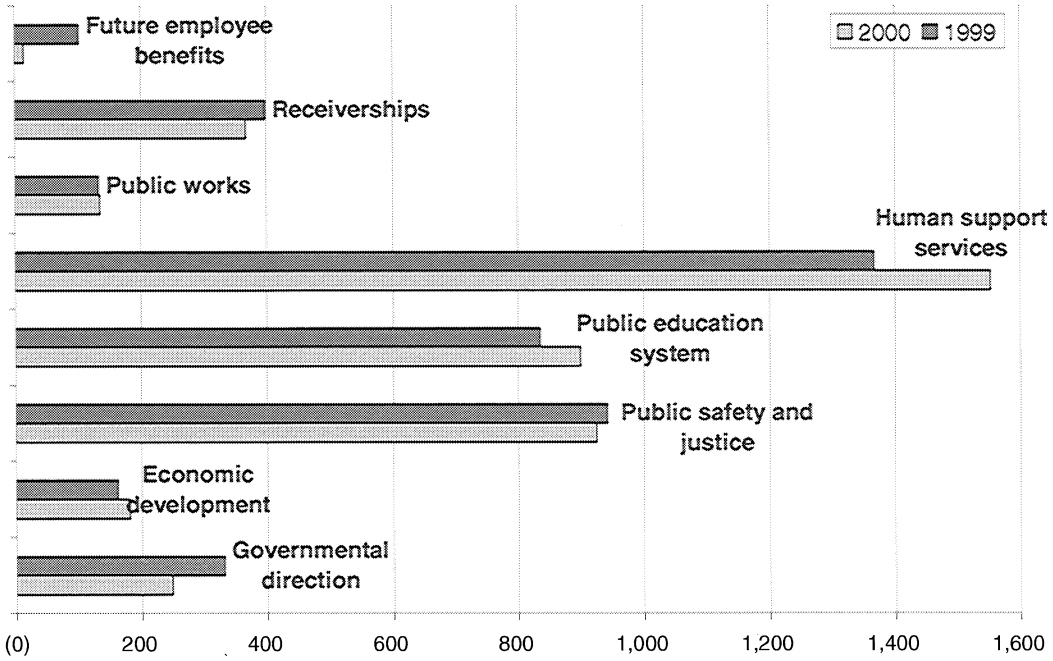
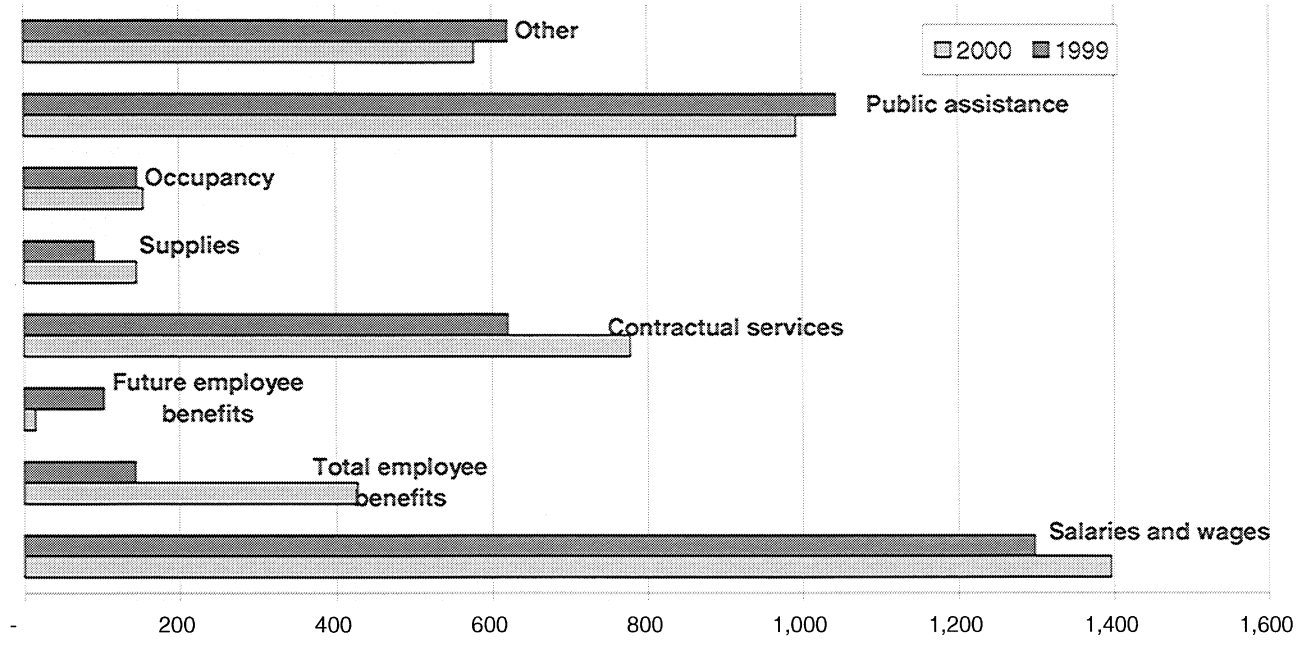


Table 5 -- Expenditures by Object Class ($ in 000's)

Object Class	2000 Amount	2000 Percent	Increase (Decrease) From 1999 Amount	Increase (Decrease) From 1999 Percent
Salaries and wages	$ 1,394,643	31.1 %	$ 98,192	7.6 %
Total employee benefits	426,859	9.5	284,075	199.0
Future employee benefits	13,968	0.3	(88,129)	(86.3)
Contractual services	777,730	17.4	157,454	25.4
Supplies	145,025	3.3	55,072	61.2
Occupancy	153,403	3.5	7,618	5.2
Public assistance	991,607	22.1	(50,812)	(4.9)
Other	577,484	12.9	(42,634)	(6.9)
Total current expenditures	$ 4,480,719	100.0 %	$ 420,836	268.7 %

Figure 3 – Expenditures by Object class ($ in 000's)



Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Financial Responsibility Authority Fund is used to account for the operating activity of the District of Columbia Financial Responsibility and Management Assistance Authority. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus. The Financial Responsibility Authority operations are summarized in Table 6:

Table 6 – Special Revenue Fund ($ in 000's)

	2000	1999	Increase/ (Decrease)	Percent
Revenues	$ 2,936	209	2,727	1,304.8 %
Financing sources	3,140	7,012	(3,872)	(55.2)
Less Expenditures	6,019	7,221	(1,202)	(16.6)
Excess	$ 57	0	57	-

Capital Projects Funds

The Capital Projects Funds are used to account for the purchase or construction of fixed assets that are wholly or partly financed by transfers of taxes dedicated to highway projects, capital grants, or general long-term debt. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus.

During 2000, grants, interest, debt proceeds and transfers-into the capital projects funds totaled $164,332 and capital outlays were $435,336 ,which resulted in a shortage of revenues and other sources under expenditures of $271,004 . The capital outlays consisted primarily of $410,928 for general fixed assets and $2,110 for component units' fixed assets. The Capital Projects Funds had a total fund balance at the end of the year of $458,430 ,of which $65,963 is reserved for certain highway projects, $318,913 is reserved for encumbrances, and $73,554 is reserved for the District's commitment to fund its share of joint venture capital projects of the Washington Metropolitan Area Transit Authority.

Enterprise Fund

Enterprise funds are used to account for organizations engaged primarily or solely in selling goods or services to the general public on a continuing basis. The Lottery and Games Enterprise Fund operates a lottery and licenses charitable bingo, raffles and Monte Carlo parties. The Lottery and Games Enterprise Fund is summarized in Table 7.

Table 7 – Enterprise Fund Summary (Lottery) ($ in 000's)

Operating Revenues	Income Before Transfers		Interfund Transfers In (Out)		Retained Earnings	
2000	2000	1999	2000	1999	2000	1999
216,134	69,497	64,301	(69,450)	(64,225)	3,275	3,228

Discretely Presented Component Units

Component units are legally separate organizations for which the elected officials of the District are financially accountable. All component units are accounted for similar to enterprise funds; therefore, operations are reported on a flow of economic resources measurement focus. The six component units are described below and summarized in Table 8.

The District of Columbia Health and Hospitals Public Benefit Corporation was created by D.C. Law 11-212 to manage and control the General Hospital, community health clinics and certain services provided by the Department of Human Services. The corporation became operational October 1, 1997. The District of Columbia General Hospital is an acute care facility utilizing 241 beds and is a major provider of health services to indigent patients. In addition to inpatient care, the hospital serviced 98,218 outpatient visits and 52,449 emergency room visits in 2000, compared to 90,612 and 52,444 in 1999, respectively.

A variety of factors have caused continuing financial difficulties for the PBC, and it is unlikely that either the Hospital or its other operations will continue in its present form. Under a joint arrangement with the Mayor, Council and Financial

Responsibility Authority, the District is seeking a vendor to assume delivery of the services currently provided by the PBC for the District's poor and uninsured residents.

The Water and Sewer Authority operates a regional sewerage system and supplies potable water from the Potomac River to the District. The unit finances the Washington Aqueduct, which is operated by the U.S. Army Corps of Engineers. District waste treatment facilities process sewage for the District and local jurisdictions in suburban Maryland and northern Virginia. Bonds issued by the Water and Sewer Authority after 1996 are not general obligations of the District and are payable solely from defined revenues and assets of the unit. However, the unit participates in new general obligation bonds that are issued by the District to refinance prior issuances in which the unit participated.

Table 8 – Discretely Presented Component Units ($ in 000's)

	Operating Revenues	Income (Loss) Before Transfers		Transfers In From Primary Government		Retained Earnings (Deficit)	
	2000	2000	1999	2000	1999	2000	1999
Public Benefits Corporation	$ 69,394	(160,007)	(24,995)	96,101	46,842	(167,096)	(103,190)
Water and Sewer	227,930	15,333	29,243	-	-	300,815	280,993
Convention Center	10,072	(10,641)	(7,320)	54,524	51,145	219,924	176,041
Sports Commission	7,047	(919)	(390)	-	-	7,959	8,878
Housing Finance	25,513	4,364	(8,868)	-	-	33,989	29,625
University	19,152	(54,018)	(54,108)	40,491	50,148	11,745	20,312
Total	$ 359,108	(205,888)	(66,438)	191,116	148,135	407,336	412,659

The Washington Convention Center, located midway between the Capitol and the White House, has 378,000 square feet of exhibit and meeting space on two levels. A new convention center is under construction and scheduled to open in March 2003, and will be the sixth largest convention center in the United States. Bonds issued by the Convention Center are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The Sports Commission promotes the District as a sporting event site; coordinates development and construction of sporting facilities and related infrastructure; manages District owned facilities, including the Robert F. Kennedy Memorial Stadium and the National Guard Armory; and may own and operate a professional sports franchise. Bonds issued by the Commission are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The Housing Finance Agency issues bonds and uses the proceeds to finance residential mortgage, construction, and rehabilitation loans. Bonds issued by the Housing Finance Unit are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The University includes all activities of the University of the District of Columbia, a land-grant institution that provides low-cost courses leading to certificate, bachelor and advanced degrees in arts, sciences, teacher education, special career education and law.

The combined retained earnings of the component units was $407,336 at September 30, 2000.

Trust Funds

Trust funds are used to account for property to which the District has legal title in order to administer it for the benefit of others. The principal portion of expendable trust funds may be expended and are reported on a flow of current financial resources measurement focus. Pension trust funds, however, must preserve their principal intact and are reported on a flow of economic resources measurement focus because capital maintenance is critical in meeting their intended financial objectives. The two trust funds are summarized in Table 9, below.

The Unemployment Compensation Fund pays benefits to unemployed former employees of the District, the federal government, and private employers that do business in the District. At September 30, 2000, the fund had a total fund balance of $271,661 .

Table 9 – Trust Fund Summary ($ in 000's)

Fund	Additions/ Operating Revenues 2000	Deductions/ Expenditures 2000	Deductions/ Expenditures 1999	Net Increase/ Excess 2000	Net Increase/ Excess 1999
Unemployment Compensation	$ 131,895	80,896	77,368	50,999	36,951
Pension	332,201	3,800	2,300	328,401	323,488
Total	$ 464,096	84,696	79,668	379,400	360,439

The Pension Trust Funds pay retirement benefits to police officers, fire fighters and public school teachers under the District Retirement Programs. These programs are contributory single employer defined benefit pension plans administered by the District. On October 1, 1997, all responsibility transferred to the federal government for the Judges plan and for the other employee groups, for service provided prior to July 1, 1997. For service provided after June 30, 1997, benefits due to police officers, fire fighters and public school teachers are funded by the District under the terms of the existing plan, with certain modifications as mandated by the Replacement Plan Act of 1998. The District made its actuarially required contribution of $39,900 to the Police and Fire Fighters Plan and $10,700 to the Teacher's Plan during the year ended September 30, 2000. Other employees are covered by the Civil Service or Social Security Retirement Systems, which are administered by the federal government, or by the Section 401 defined contribution plan administered by the District.

Debt Administration

Under the District of Columbia Home Rule Act as amended, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long-term general obligation debt to exceed 17% of the revenues of the fiscal year in which the debt is issued. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997 in order to compensate for the decrease in revenues from the repeal of the annual federal payment in lieu of taxes and the loss of court revenues.

At September 30, 2000, the District's general obligation debt of $3,109,728 , excluding the Water and Sewer Authority debt, was $2,290,272 below the legal debt limitation of approximately $5,400,000

The District has issued private activity bonds whose principal and interest are not general obligations of the District and are payable solely from defined revenues of private entities. These bonds provide economic incentive to construct, modernize, or enhance private entity facilities in the District, thereby supporting the economic base of the District. The bonds are not recorded as a liability of the District.

Table 10 presents the outstanding long-term general obligations of the District at September 30, 2000 and 1999. No revenue, special assessment, or overlapping debt exists. The percentage of debt to assessed value (which equals estimated actual value) and the amount of debt per capita (in dollars) are useful indicators of the District's debt position. These data for the District at September 30, 2000 and 1999 are shown in Table 11.

Table 10 – Outstanding Long Term General Obligations ($ in 000's)

Fund Type or Account Group	2000	1999
General bonds	$ 3,109,728	3,136,511
Component unit bonds	100,147	107,662
Total	$ 3,209,875	3,244,173

Table 11 -- Debt Indicators

Indicator	2000	1999
Debt to assessed value	7.4 %	7.6 %
Debt per capita	$ 5,611	6,177

During September, the District issued $189.1 million in variable rate demand obligation bonds, which are described in Table 12. Proceeds will be used to fund $186.7 million in capital projects and the costs related to the issuance.

Table 12 – Bonds issued during current Fiscal Year ($ in 000's)

Issue Amount	Interest Rate	Payment Date
Series 2000A $ 66,500	5.47	06/01/2015
Series 2000B $122,635	5.5	06/01/2030

Cash Management

Cash from all funds of the primary government, excluding the Financial Responsibility Authority, is combined unless prohibited by law. Any cash that is not needed for immediate disbursement is invested in obligations which are guaranteed fully by the federal government, such as mutual funds of federal government obligations or repurchase agreements collateralized by federal government obligations.

The Financial Institutions Deposit and Investment Amendment Act of 1997 (D.C. Code 47-351.3) authorized the District to invest in certain obligations that may not be guaranteed by the federal government. Deposits and investments, except for investments of the Housing Finance Unit, are collateralized with securities that are held by the District or by its agent in the District's name.

Risk Management

The District retains the risk of loss arising out of the ownership of property or from some other cause, except health care and life insurance benefits for employees. A liability is established in the general fund to reflect certain contingencies; however, this balance is not intended include all assets that may be required to finance losses. Rather, losses are recognized in the affected fund when they occur.

Budgetary Compliance

Table 13 presents comparisons between actual amounts incurred and appropriated budget amounts (as amended) of the General Fund for the year ended September 30, 2000.

Table 13 – Budgetary Compliance Summary ($ in 000's)

	Actual GAAP Basis	Nonappro-priated	Appropriated (Budget Basis)		
			Actual	Budget	Variance
Revenues and sources	$ 5,377,081	378,080	4,999,001	5,126,403	(127,402)
Expenditures and uses	5,136,354	428,853	4,707,501	5,089,895	382,394
Excess (Deficiency)	$ 240,727	(50,773)	291,500	36,508	254,992

Independent Audit

District law (D.C. Code 47-119) requires an annual financial audit of the District by independent certified public accountants. The audit must be conducted in accordance with auditing standards generally accepted in the United States of America and

Government Auditing Standards. The financial statements must be prepared in conformity with GAAP. The District has complied with these requirements and the independent auditors' report is included in the financial section of this report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended September 30, 1999. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for the preparation of state and local government financial reports.

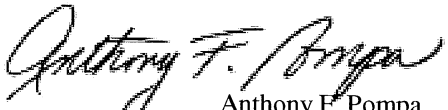
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for fifteen of the last seventeen years. The District believes that the current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and it will be submitted to the GFOA for review.

Acknowledgments

The preparation of the comprehensive annual financial report was made possible by the dedicated staff of the Office of Financial Operations and Systems. We would like to express our appreciation to each member of the staff who contributed to the preparation of this report and especially to Grace Crocker, Wilma Matthias, Bert Molina, Bill Slack, Leti Stevenson and their respective team members.

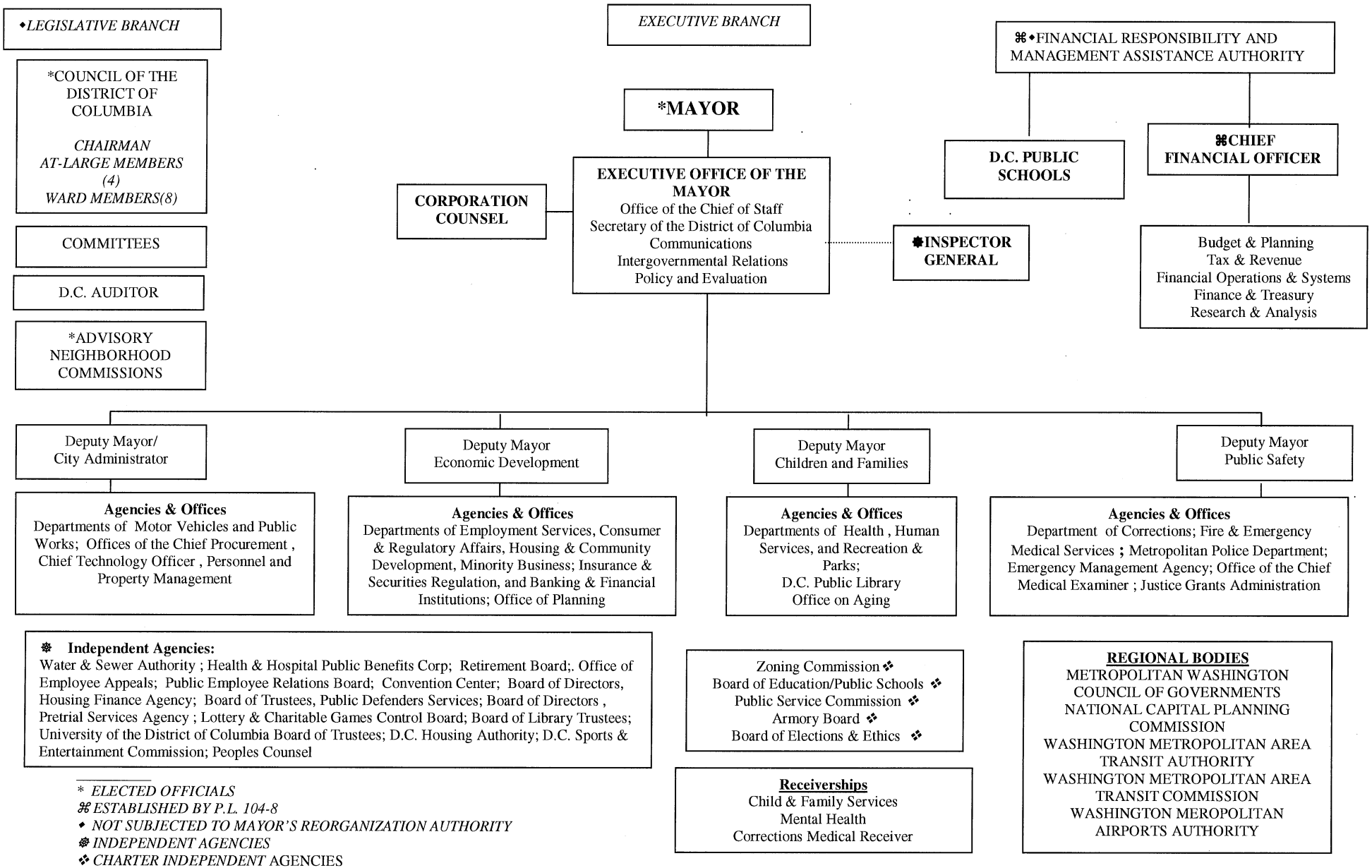
Respectfully submitted,



Anthony F. Pompa
Deputy Chief Financial Officer,
Financial Operations and Systems

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Structural Organization


•LEGISLATIVE BRANCH
*COUNCIL OF THE DISTRICT OF COLUMBIA
CHAIRMAN
AT-LARGE MEMBERS (4)
WARD MEMBERS(8)
COMMITTEES
D.C. AUDITOR
*ADVISORY NEIGHBORHOOD COMMISSIONS
EXECUTIVE BRANCH
*MAYOR
CORPORATION COUNSEL
EXECUTIVE OFFICE OF THE MAYOR
Office of the Chief of Staff
Secretary of the District of Columbia
Communications
Intergovernmental Relations
Policy and Evaluation
⌘•FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY
D.C. PUBLIC SCHOOLS
⌘CHIEF FINANCIAL OFFICER
❁INSPECTOR GENERAL
Budget & Planning
Tax & Revenue
Financial Operations & Systems
Finance & Treasury
Research & Analysis
Deputy Mayor/ City Administrator
Agencies & Offices
Departments of Motor Vehicles and Public Works; Offices of the Chief Procurement , Chief Technology Officer , Personnel and Property Management
Deputy Mayor Economic Development
Agencies & Offices
Departments of Employment Services, Consumer & Regulatory Affairs, Housing & Community Development, Minority Business; Insurance & Securities Regulation, and Banking & Financial Institutions; Office of Planning
Deputy Mayor Children and Families
Agencies & Offices
Departments of Health , Human Services, and Recreation & Parks;
D.C. Public Library
Office on Aging
Deputy Mayor Public Safety
Agencies & Offices
Department of Corrections; Fire & Emergency Medical Services ; Metropolitan Police Department; Emergency Management Agency; Office of the Chief Medical Examiner ; Justice Grants Administration
❁ Independent Agencies:
Water & Sewer Authority ; Health & Hospital Public Benefits Corp; Retirement Board;. Office of Employee Appeals; Public Employee Relations Board; Convention Center; Board of Directors, Housing Finance Agency; Board of Trustees, Public Defenders Services; Board of Directors , Pretrial Services Agency ; Lottery & Charitable Games Control Board; Board of Library Trustees; University of the District of Columbia Board of Trustees; D.C. Housing Authority; D.C. Sports & Entertainment Commission; Peoples Counsel
Zoning Commission ❖
Board of Education/Public Schools ❖
Public Service Commission ❖
Armory Board ❖
Board of Elections & Ethics ❖
Receiverships
Child & Family Services
Mental Health
Corrections Medical Receiver
REGIONAL BODIES
METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
NATIONAL CAPITAL PLANNING COMMISSION
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION
WASHINGTON MEROPOLITAN AIRPORTS AUTHORITY

* *ELECTED OFFICIALS*
⌘ *ESTABLISHED BY P.L. 104-8*
• *NOT SUBJECTED TO MAYOR'S REORGANIZATION AUTHORITY*
❁ *INDEPENDENT AGENCIES*
❖ *CHARTER INDEPENDENT* AGENCIES

PRINCIPAL OFFICIALS

September 30, 2000

Name	Position	First Elected or Appointed	Term Expires
	Chief Executive Officer		
Anthony A. Williams	Mayor	1999	2003
	Council		
Linda W. Cropp	Chairman	1991	2002
Harold Brazil	At Large	1991	2001
David A. Catania	At Large	1997	2003
Phil Mendelson	At Large	1999	2003
Carol Schwartz	At Large	1997	2001
Jim Graham	Ward 1	1999	2003
John K. Evans	Ward 2	1991	2001
Kathleen Patterson	Ward 3	1995	2003
Charlene Drew Jarvis	Ward 4	1979	2001
Vincent Orange	Ward 5	1999	2003
Sharon Ambrose	Ward 6	1997	2003
Kevin P. Chavous	Ward 7	1993	2001
Sandy Allen	Ward 8	1997	2001
	House of Representatives		
Eleanor Holmes Norton	Delegate	1991	2001
	Executive Officers		
Dr. Natwar M. Gandhi	Chief Financial Officer		
Robert R. Rigsby	Corporation Counsel		
Dr. Abdusalam Omer	Chief of Staff		
John Koskinan	City Administrator/Deputy Mayor for Operations		
Eric Price	Deputy Mayor for Economic Development		
Carolyn Graham	Deputy Mayor for Children and Families		
Margaret Nedelkoff Kellums	Deputy Mayor for Public Safety		
Beverly D. Rivers	Secretary of the District of Columbia		
Charles C. Maddox, Esq.	Inspector General		
Anthony F. Pompa	Deputy CFO, Financial Operations and Systems		
Wayne Upshaw	Deputy CFO, Budget and Planning		
John Robinson	Acting Deputy CFO, Finance and Treasury/City Treasurer		
Dr. Julia Freidman	Deputy CFO, Research and Analysis		
Herbert Huff	Deputy CFO, Tax and Revenue		
	Financial Responsibility and Management Assistance Authority		
Dr. Alice M. Rivlin	Chairperson	1998	2001
Constance B. Newman	Vice Chairperson	1995	2001
Robert P. Watkins, III	Member	1998	2001
Eugene Kinlow	Member	1998	2001
Francis S. Smith	Executive Director		

Certificate of Achievement for Excellence in Financial Reporting

Presented to

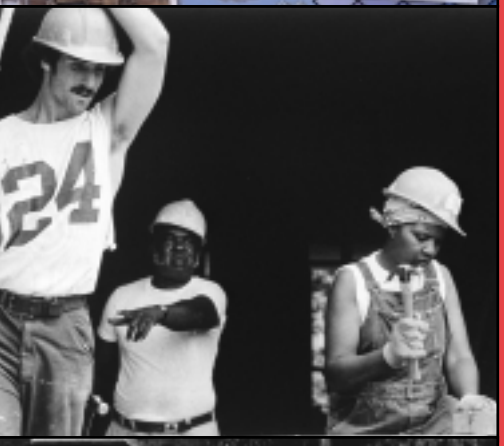
District of Columbia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director



Financial Section

General Purpose Financial Statements

Combining and Individual Fund Statements and Schedules

Government of the District of Columbia

Office of the Chief Financial Officer

Credits left side, top to bottom:
Detail of "National Arboretum", by Colin Winterbottom, ©1996
Detail of "D.C. General Hospital Laundry Workers", by Martha Tabor, ©1981
Detail of "Frederick Douglas", by G. Byron Peck, ©1995*
Detail of "Construction Worker – Virginia Powell", by Martha Tabor, ©1981
Detail of "Street Cleaner – Roosevelt Washington", by Martha Tabor, ©1981
Credit right side:
Detail of "Dumbarton Oaks", by Colin Winterbottom, ©1996

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***Partially funded by the D.C. Department of Parks and Recreation and D.C. Artworks.**

REPORT OF THE INDEPENDENT AUDITORS

KPMG

2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report

To the Mayor and Council of the Government of the District of Columbia

Inspector General of the Government of the District of Columbia

District of Columbia Financial Responsibility
And Management Assistance Authority

We have audited the general purpose financial statements of the Government of the District of Columbia (District) as of and for the year ended September 30, 2000, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 15 to the general purpose financial statements, the District of Columbia Financial Responsibility and Management Assistance Authority (Authority) was created by Public Law 104-8 to provide oversight of District financial management activities and may be suspended if certain conditions set forth in this law are met. The Authority is reported as a special revenue fund of the District.

The Public Benefit Corporation (PBC), a discretely presented component unit of the District, has suffered recurring losses from operations and has a substantial accumulated deficit. Management's plans with respect to the ongoing nature of the activities of PBC are described in Note 10 to the general purpose financial statements.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of September 30, 2000, and the results of its operations, changes in net assets of its pension trust funds, and the cash flows of its proprietary fund type and discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2001 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report identifies material weaknesses in internal control over financial reporting and noncompliance with certain provisions of laws, regulations, contracts and grants required to be reported under *Government Auditing Standards*.

KPMG LLP. KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The information in the schedules identified as Exhibits A-1 through G-6 in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory section and the statistical section identified in the accompanying table of contents, and accordingly, express no opinion thereon.

KPMG LLP

January 26, 2001

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GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements provide a summary overview of the financial position of all fund types, account groups and component units; and of the operating results of all fund types and component units.

Exhibit 1

DISTRICT OF COLUMBIA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2000
($000s)

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Groups		
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long Term Liabilities	Component Units
ASSETS AND OTHER DEBITS								
Cash and investments								
Restricted	$ 205,712	-	73,554	76,878	2,955,780	-	-	569,379
Unrestricted	537,657	955	78,621	8,846	-	-	-	777,921
Taxes receivable, net	194,219	-	-	-	-	-	-	-
Accounts receivable, net	70,718	-	16,740	3,951	25,644	-	-	113,454
Due from Federal government	479,384	-	30,816	-	198	-	-	47,679
Due from primary government	-	-	-	-	-	-	-	31,047
Due from component units	22,784	-	-	-	-	-	-	-
Interfund receivables	62,451	167	440,490	-	4,532	-	-	-
Inventories	15,479	-	-	556	-	-	-	11,415
Properties held for resale	-	3,151	-	-	-	-	-	-
Loans receivable, net	13,403	-	-	-	-	-	-	265,405
Deferred charges	-	-	-	-	-	-	-	28,131
Property and equipment, net	-	-	-	480	-	3,099,917	-	1,669,831
Other assets	9,773	1,373	-	6	41,277	-	-	4,409
Resources available in general fund	-	-	-	-	-	-	156,369	-
Resources to be provided	-	-	-	-	-	-	3,354,217	-
Total assets and other debits	$ 1,611,580	5,646	640,221	90,717	3,027,431	3,099,917	3,510,586	3,518,671

Exhibit 1 (continued)

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Type	Account Groups		
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long Term Liabilities	Component Units
LIABILITIES, EQUITY AND OTHER CREDITS								
Payables:								
Accounts	$ 339,800	1,230	136,608	1,763	179,890	-	-	82,059
Compensation	152,851	238	-	613	-	-	-	28,159
Due to primary government	-	-	-	-	5,563	-	-	64,843
Due to component units	25,484	-	-	-	-	-	-	-
Interfund	4,509	-	14,397	-	488,734	-	-	-
Accrued liabilities	359,944	-	-	7,730	-	-	-	53,459
Deferred revenue	243,784	-	24,447	133	-	-	-	114,276
Current maturities	-	-	-	-	-	-	-	17,691
General obligation bonds payable	-	-	-	-	-	-	3,109,728	91,181
Other bonds and loans payable	-	-	-	-	40,107	-	-	1,585,888
Other liabilities	20,271	3,151	6,339	77,203	-	-	400,858	374,152
Total liabilities	1,146,643	4,619	181,791	87,442	714,294	-	3,510,586	2,411,708
Equity and other credits:								
Other credits:								
Investment in general fixed assets	-	-	-	-	-	3,099,917	-	-
Contributed capital	-	-	-	-	-	-	-	699,627
Retained earnings	-	-	-	3,275	-	-	-	407,336
Fund balances:								
Reserved	474,583	-	458,430	-	2,313,137	-	-	-
Unreserved	(9,646)	1,027	-	-	-	-	-	-
Total equity and other credits	464,937	1,027	458,430	3,275	2,313,137	3,099,917	-	1,106,963
Total liabilities, equity and other credits	$ 1,611,580	5,646	640,221	90,717	3,027,431	3,099,917	3,510,586	3,518,671

The accompanying notes are an integral part of this statement.

Exhibit 2

DISTRICT OF COLUMBIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
Year Ended September 30, 2000
($000s)

	Governmental Fund Types			Fiduciary Fund Type
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Expendable Trust
Revenues:				
Taxes	$ 3,127,849	-	-	108,268
Licenses and permits	44,446	-	-	-
Fines and forfeits	54,865	-	-	-
Charges for services	174,438	-	-	-
Benefit contributions	-	-	-	8,721
Investment income	31,933	2,930	8,075	14,906
Miscellaneous	182,585	6	24,033	-
Federal contributions	435,381	-	132,224	-
Operating grants	1,253,445	-	-	-
Total revenues	5,304,942	2,936	164,332	131,895
Expenditures:				
Current:				
Governmental direction and support	247,664	6,019	-	-
Economic development and regulation	180,443	-	-	-
Public safety and justice	924,843	-	-	-
Public education system	899,763	-	-	-
Human support services	1,552,495	-	-	80,896
Public works	135,067	-	-	-
Receiverships	366,961	-	-	-
Employee benefits addition (deduction)	13,968	-	-	-
Capital outlay	-	-	413,038	-
Joint venture subsidies	135,531	-	22,298	-
Debt service:				
Principal	220,054	-	-	-
Interest and fiscal charges	175,058	-	-	-
Total expenditures	4,851,847	6,019	435,336	80,896
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	453,095	(3,083)	(271,004)	50,999
Other Financing Sources (Uses):				
Proceeds of:				
General obligation bonds	2,689	-	186,663	-
Capital leases	-	-	9,144	-
Sales of fixed assets	-	-	2,727	-
Uncollectible prior years' advances	(41,415)	-	-	-
Operating transfers in	69,450	3,140	51,975	-
Operating transfers out	(51,976)	-	-	-
Operating transfers to component units	(191,116)	-	-	-
Total other financing net sources (uses)	(212,368)	3,140	250,509	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	**240,727**	**57**	**(20,495)**	**50,999**
Fund Balances at October 1 (restated)	**224,210**	**970**	**478,925**	**220,662**
Fund Balances at September 30	$ **464,937**	**1,027**	**458,430**	**271,661**

The accompanying notes are an integral part of this statement.

Exhibit 3

STATEMENT OF REVENUES, EXPENDITURES AND RECONCILIATION OF BUDGETARY BASIS WITH GAAP BASIS GENERAL FUND

Year Ended September 30, 2000

($000s)

	Budget				Variance - Favorable
	Original	Revisions	Revised	Actual	(Unfavorable)
Revenues and Other Sources:					
Taxes:					
Property taxes	$ 693,700	(41,450)	652,250	692,781	40,531
Sales and use taxes	620,000	6,565	626,565	698,861	72,296
Income and franchise taxes	1,185,100	94,755	1,279,855	1,338,564	58,709
Other taxes	348,500	(10,417)	338,083	353,621	15,538
Total taxes	2,847,300	49,453	2,896,753	3,083,827	187,074
Licenses and permits	48,498	(7,504)	40,994	43,754	2,760
Fines and forfeits	56,771	(3,495)	53,276	53,216	(60)
Charges for services	34,173	3,629	37,802	37,257	(545)
Miscellaneous	93,558	6,827	100,385	118,207	17,822
Private & other	318,574	29,488	348,062	308,607	(39,455)
Federal contributions	23,750	-	23,750	23,576	(174)
Operating grants	1,231,408	301,973	1,533,381	1,256,673	(276,708)
General obligation bonds	-	-	-	2,689	2,689
Transfer of interest income	23,000	-	23,000	1,745	(21,255)
Transfer in from Lottery Board	69,000	-	69,000	69,450	450
Tax Parity Act	(58,950)	58,950	-	-	-
Total revenues and other sources	4,687,082	439,321	5,126,403	4,999,001	(127,402)
Expenditures and Other Uses:					
Governmental direction and support	167,356	81,573	248,929	217,300	31,629
Economic development and regulation	190,335	70,181	260,516	174,267	86,249
Public safety and justice	778,770	19,872	798,642	826,063	(27,421)
Public education system	867,411	90,868	958,279	901,096	57,183
Human support services	1,526,361	112,095	1,638,456	1,590,917	47,539
Public works	271,395	10,835	282,230	271,035	11,195
Receiverships	342,077	27,094	369,171	358,753	10,418
Workforce investments	8,500	(8,147)	353	-	353
Buyouts and other management reforms	18,000	(14,352)	3,648	-	3,648
Reserve	150,000	(26,560)	123,440	-	123,440
Financial Responsibility Authority	3,140	-	3,140	3,140	-
Repay bonds and interest	328,417	(2,031)	326,386	315,656	10,730
Repay deficit bonds and interest	38,286	-	38,286	38,343	(57)
Interest on short term borrowing	9,000	-	9,000	3,002	5,998
Certificates of participation	7,950	-	7,950	7,929	21
Optical and dental insurance	1,295	-	1,295	-	1,295
Productivity bank	20,000	-	20,000	-	20,000
Management supervisory service	-	174	174	-	174
Total expenditures and other uses	4,728,293	361,602	5,089,895	4,707,501	382,394
Subtotal	(41,211)	77,719	36,508	291,500	254,992
PL 106-113 General supply schedule savings	14,457	-	14,457	-	(14,457)
PL 106-113 Management reform savings	7,000	-	7,000	-	(7,000)
PL 106-113 Productivity Savings	20,000	-	20,000	-	(20,000)
Subtotal	41,457	-	41,457	-	**(41,457)**
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES -- BUDGETARY BASIS	$ **246**	**77,719**	**77,965**	**291,500**	**213,535**
Reconcile Budgetary to GAAP Basis:					
Convention center taxes				(54,524)	
Claims and judgments accrual				36,691	
Tobacco trust account				33,638	
Debt retirement not budgeted				(34,720)	
Medicaid accrual, net of revenue				(13,378)	
Operating cost from enterprise funds				(7,849)	
Increase allowance for uncollectible receivables				(7,766)	
Accrued interest				(6,124)	
Grant disallowance accrual				1,927	
All other, net				1,332	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES -- GAAP BASIS				$ **240,727**	

The accompanying notes are an integral part of this statement.

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Exhibit 4

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended September 30, 2000

($000s)

	Proprietary Fund Type Enterprise	Component Units
Operating Revenues:		
Charges for services	$ 216,134	333,595
Miscellaneous	-	25,513
Total operating revenues	216,134	359,108
Operating Expenses:		
Lottery prize expense	124,534	-
Personal services	5,159	245,067
Contractual services	16,201	130,456
Supplies	79	38,268
Occupancy	1,590	40,115
Depreciation	155	43,269
Miscellaneous	453	77,737
Total operating expenses	148,171	574,912
OPERATING INCOME (LOSS)	67,963	(215,804)
Nonoperating Revenues (Expenses):		
Federal government support	-	34,242
Interest revenue	1,534	32,055
Interest and fiscal charges	-	(55,954)
Miscellaneous	-	(427)
Total nonoperating revenues (expenses)	1,534	9,916
INCOME (LOSS) BEFORE TRANSFERS	69,497	(205,888)
Transfers:		
Operating transfers out	(69,450)	-
Transfers in excess of appropriation	-	51,666
Operating transfers in from primary government	-	139,450
Total transfers in (out)	(69,450)	191,116
NET INCOME (LOSS)	**47**	**(14,772)**
Depreciation closed to Contributed Capital	-	9,449
INCREASE (DECREASE) IN RETAINED EARNINGS	**47**	**(5,323)**
Retained Earnings at October 1 (restated)	**3,228**	**412,659**
Retained Earnings at September 30	**$ 3,275**	**407,336**

The accompanying notes are an integral part of this statement.

Exhibit 5

COMBINED STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended September 30, 2000
($000s)

	Proprietary Fund Type	
	Enterprise Fund	Component Units
Operating Activities:		
Cash receipts from customers	$ 215,123	346,390
Cash receipts from loans and interest	-	22,333
Other cash receipts	-	60,699
Mortgage and construction loans	-	(168,772)
Cash payments to vendors	(18,264)	(261,578)
Cash payments to employees	(5,123)	-
Other cash payments, including prizes	(125,376)	-
Net cash provided (used)	66,360	(928)
Capital and Related Financing Activities:		
Acquisitions of fixed assets	(235)	(232,268)
Payments of long term debt	-	(16,573)
Payments of interest and charges	-	(46,258)
Contributions of capital	-	11,007
Net cash used	(235)	(284,092)
Noncapital Financing Activities:		
Operating grant receipts	-	27,504
Operating transfers to General Fund	(69,450)	-
Operating transfers from General Fund	-	191,116
Proceeds of loans payable	-	283,247
Payments of interest and charges	-	(36,903)
Mortgages and construction loans	-	(56,910)
Receipts from other funds	-	38,483
Net cash provided (used)	(69,450)	446,537
Investing Activities:		
Receipts of interest and dividends	1,534	32,078
Payments of annuities and loans payable	(3,759)	(67,673)
Net cash used	(2,225)	(35,595)
INCREASE (DECREASE) IN CASH	**(5,550)**	**125,922**
Cash and Investments at October 1	**91,274**	**1,221,378**
Cash and Investments at September 30	**$ 85,724**	**1,347,300**

Exhibit 5

	Proprietary Fund Type	
	Enterprise Fund	**Component Units**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$ 67,963	(215,804)
Depreciation	155	43,269
Miscellaneous nonoperating revenues	-	11,839
Bad debt expense	-	25
Loss on disposition of fixed assets	-	82,880
Decrease (increase) in assets:		
Receivables	(993)	33,227
Inventories	(89)	837
Other current assets	17	9,902
Loans receivable	-	-
Increase (decrease) in liabilities:		
Payables	(140)	11,924
Accrued liabilities	(842)	(14,284)
Deferred revenue	(18)	36,363
Other current liabilities	307	(1,106)
Net Cash Provided (Used)	$ 66,360	(928)
Noncash contributions of capital	$ -	-

The accompanying notes are an integral part of this statement.

Exhibit 6

PENSION TRUST FUNDS

COMBINING STATEMENT OF NET ASSETS

September 30, 2000

($000s)

	Fund		
	Police and Fire	Teachers	Totals
ASSETS			
Assets:			
Cash and investments	$ 1,256,148	916,583	2,172,731
Receivables (net of allowances for uncollectibles):			
Accounts	956	1,300	2,256
Interfund	-	1,018	1,018
Total assets	**1,257,104**	**918,901**	**2,176,005**
Liabilities:			
Payables:			
Securities lending	74,927	54,164	129,091
Accounts	2,976	2,272	5,248
Interfund	190	-	190
Total liabilities	**78,093**	**56,436**	**134,529**
Net Assets:			
Held in trust for pension benefits	**$ 1,179,011**	**862,465**	**2,041,476**

The accompanying notes are an integral part of this statement.

Exhibit 7

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS

Year Ended September 30, 2000

($000s)

	Fund		
	Police and Fire	Teachers	Totals
Additions:			
Benefit contributions:			
Employer	$ 39,900	10,700	50,600
Employees	16,285	23,646	39,931
Investment income:			
Interest and dividends	39,243	28,896	68,139
Net appreciation in fair value of investments	110,614	78,536	189,150
Less - investment expenses	(8,938)	(6,681)	(15,619)
Total additions	197,104	135,097	332,201
Deductions:			
Benefits	2,200	1,600	3,800
NET INCREASE	**194,904**	**133,497**	**328,401**
Net Assets held in trust for pension benefits:			
October 1	**984,107**	**728,968**	**1,713,075**
September 30	**$ 1,179,011**	**862,465**	**2,041,476**

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

(Amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND AND HISTORY OF GOVERNMENTAL UNIT

General Operations

The District of Columbia (District) was created on March 30, 1791 and became the nation's capital on December 1, 1800, in accordance with Article 1, section 8, clause 17 of the United States Constitution. This portion of the Constitution empowered Congress with the authority to establish the seat of government for the United States. Congress granted the District a Charter, which became effective on January 2, 1975 through the enactment of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198.

The District is a municipal corporation, which operates under an elected Mayor-Council form of government. Accordingly, an Act of the Council, other than a budget request act, becomes a law unless Congress and the President disapprove it after it has been adopted. Citizens of the District have the right to vote for the President and Vice-President of the United States but not for members of Congress. The District does, however, have an elected nonvoting delegate to the United States House of Representatives.

Due to its unique organizational structure (i.e., not a part of any other state government), the District provides a broad range of services to its residents, including those normally provided by a state governmental entity. These services include public safety and protection, fire and emergency medical services, human support and welfare services, public education and many others.

Financial Responsibility and Management Assistance Authority Oversight

The District of Columbia Financial Responsibility and Management Assistance Authority (Financial Responsibility Authority) was created in 1995 with the enactment of Public Law 104-8 to review and approve the budget, legislation, contracts (including collective bargaining agreements) and borrowing activities of the District. The Financial Responsibility Authority also has the power to borrow funds on behalf of the District. The President appoints the five members of the Financial Responsibility Authority, who are granted broad powers during a control year to achieve the objectives for which the Authority was created.

The District entered a control period when the Financial Responsibility Authority was activated in April 1995. Fiscal year 2000 was a control year, which is defined as a fiscal year that commences during a control period. Special conditions of a control period and a control year are described below and are further discussed in the Budgeting section of this note.

During a control year, all Acts passed by the Council, along with a fiscal impact statement, must be submitted to the Financial Responsibility Authority, which has seven (7) business days within which to review such legislation unless this period has been extended for an additional seven (7) business days. The Financial Responsibility Authority may disapprove a Council Act if it determines that the Council Act is significantly inconsistent with the District's financial plan and budget. Also during a control year, the District may not borrow funds without the prior consent of the Financial Responsibility Authority. The proceeds of the annual federal payment, borrowings by the District and borrowings by the Financial Responsibility Authority are deposited into escrow accounts that are maintained by the Financial Responsibility Authority. Such payments and proceeds are subsequently allocated to the District in such amounts and at such times as the Financial Responsibility Authority considers to be consistent with the financial plan and budget.

The Financial Responsibility Authority may also at any time submit recommendations to the District, President or Congress to ensure compliance with the financial plan and budget or otherwise promote the financial stability, responsible management, and efficient service delivery of the District. In the event that the District, within its power, does not adopt a recommendation, the Financial Responsibility Authority may "take such action concerning the recommendation as it deems appropriate, after consulting with the Committee on Governmental Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Furthermore, the Financial Responsibility Authority may at any time issue such orders, rules or regulations as it determines to be appropriate to carry out the purposes of Public Law 104 - 8 and the amendments made thereto, to the extent that the issuance of such an order, rule, or regulation is within the authority of the Mayor or the head of any department or agency of the District government. Any such order, rule or regulation is legally binding to the same extent as if issued by the Mayor or the head of any such department or agency. Public Law 104-8, section 204 (d) stipulates that the Financial Responsibility Authority's decision to issue such an order, rule, or regulation is final and not subject to judicial review.

A control period commences when at least one of the following circumstances or events occurs:

(1) There has been a borrowing from the U. S. Treasury pursuant to D. C. Code 47-3401.

(2) The District has estimated that a cash deficit will last beyond the current fiscal year or the first half of the subsequent fiscal year.

(3) The District has been unable to pay debt service, payroll, employee benefits, or interstate compact agreements.

A control period ends when both of the following conditions have occurred:

(1) The Financial Responsibility Authority determines, after consultation with the District's Inspector General, that the District has adequate and reasonable access to short-term and long-term credit markets.

(2) The District has not operated at a deficit for four (4) consecutive years.

The Financial Responsibility Authority will suspend all activities following the latest date on which either of the following occurs:

(1) Twelve (12) months after all borrowings by the Financial Responsibility Authority for the use of the District, or by the District from the U. S. Treasury pursuant to D. C. Code 47-3401 have been discharged or

(2) After the expiration of the control year in which a control period ends and in which all borrowings, as discussed above in (1) in this section have been discharged. See further discussion of Financial Responsibility Authority suspension in Note 15.

B. FINANCIAL REPORTING ENTITY

A financial reporting entity consists of a primary government and its component units. The primary government is the District of Columbia, including all of the organizations that make up its legal entity. Criteria to be considered in determining organizations to be included as component units within the District's reporting entity are as follows:

- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District.
- There is a fiscal dependency by the organization on the District.
- It would be misleading to exclude the organization from the District's financial report.

Based on the aforementioned criteria, the District of Columbia has six discretely presented component units, which include the Public Benefit Corporation, Water and Sewer Authority, Convention Center, Sports and Entertainment Commission, Housing Finance Agency and the University of the District of Columbia. These organizations are presented in a separate column to emphasize that they are legally separate from the District.

The Mayor, with the consent of the Council, appoints the governing bodies of all component units, except the Public Benefit Corporation. The District has an obligation to provide financial support to the Public Benefit Corporation, Housing Finance Agency and the University of the District of Columbia. In addition, the District must approve certain transactions of the Convention Center and the Sports and Entertainment Commission, and certain tax revenues are dedicated to these organizations. The Water and Sewer Authority is responsible for the payment of certain District long-term debt issued before that entity's creation to finance capital improvements for its predecessor agency. For that reason, in conjunction with the fact that the Water and Sewer Authority is an independent authority under its enabling legislation, this entity is included as a component unit of the District of Columbia. Condensed financial statements for each of the discretely presented component units and information on how to obtain a complete set of financial statements for each are presented in Note 10.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although the Financial Responsibility Authority is also a separate legal entity, in substance, it is part of the primary government's operations. The Financial Responsibility Authority has a federally appointed board and was created to provide temporary financial management oversight in response to the District's prior years' fiscal distress. The District is not financially accountable for nor does it exercise control over the Financial Responsibility Authority. Because the Financial Responsibility Authority benefits the primary government almost exclusively, it is presented as a blended component unit (special revenue fund) of the primary government. Separate audited financial statements can be requested from the District of Columbia Financial Responsibility and Management Assistance Authority, Chief Financial Officer, 441 4th Street, N.W., Room 570 North, Washington, D. C., 20001.

C. RELATED ORGANIZATIONS

Three organizations are considered to be related organizations. In two of these instances, the District appoints voting members to the entities' respective boards; however, its accountability for these organizations does not extend beyond making such appointments. The District of Columbia Courts is also considered a related organization, although the District does not make appointments as previously described. In addition, the District is not financially accountable for the courts system. Due to this lack of financial accountability, related organizations are excluded from the financial reporting entity.

District of Columbia Housing Authority Created after the District's Department of Public and Assisted Housing was abolished to provide and maintain public housing in the District. The Housing Authority was under federal receivership until September 10, 2000 and reports independently.

District of Columbia Redevelopment Land Agency A separate legal entity with broad powers to promote redevelopment in blighted areas within the District.

District of Columbia Courts Created as a separate legal entity by PL 105-33, for which all funding is provided by the federal government. The District does not appoint the members of the Joint Committee on Judicial Administration and is not accountable for the DC Courts operations.

D. JOINT VENTURE

The District is a participant with other local jurisdictions in a joint venture to plan, construct, finance and operate a public transit system serving the Metropolitan Washington Area Transit Zone, which includes the District of Columbia; cities of Alexandria, Falls Church, Fairfax, Manassas and Manassas Park and the counties of Arlington, Fairfax, Loudoun and Prince William in Virginia and Montgomery, Anne Arundel and Prince George's in Maryland. The Washington Metropolitan Area Transit Authority (WMATA) was created in February 1967 for that purpose. WMATA is governed by a six member Board and six alternates, composed of two Directors and two alternates from Maryland, Virginia and the District of Columbia. The Directors and alternates for Virginia are appointed by the Northern Virginia Transportation Commission from among its members; for the District of Columbia, by the City Council from its members and mayoral nominees; and for Maryland, by the Washington Suburban Transit Commission from among its members. Further information regarding this joint venture is discussed in Note 11.

E. BASIS OF PRESENTATION

The District uses funds and account groups to report on its financial position and the results of its operations. Each fund or account group is considered to be a separate accounting entity and the transactions in each are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses/expenditures. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Transactions are classified into three major fund types: governmental, proprietary and fiduciary. Each fund type is further divided into separate and distinct funds. The funds and account groups used by the District are described in this section.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governmental fund types are used to account for all of the District's general activities. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and the discretely presented component units) are accounted for in the Governmental Funds. The District's governmental funds include:

- *General Fund*, used to account for all financial resources not accounted for in other funds
- *Special Revenue Fund*, used to account for the operations of the Financial Responsibility Authority
- *Capital Projects Funds*, used to account for the purchase or construction of fixed assets financed by operating transfers, capital grants or general long-term debt

The **proprietary fund** type is used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. These funds are accounted for on a flow of economic resources measurement focus. The District has one proprietary fund, which is discussed below:

- *Enterprise Fund*, used to account for the operations of the Lottery and Charitable Games Board

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other District funds. Expendable trust funds are accounted for in essentially the same manner as Governmental Funds. The term "expendable" refers to the fact that the District is not under an obligation to maintain the trust principal. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary funds include:

- *Unemployment Compensation Trust Fund,* an expendable trust fund, established to account for funds used to pay benefits to unemployed former employees of the District, Federal government and private employers within the District.
- *Pension Trust Funds*, used to account for resources used for retirement annuity payments at appropriate amounts and times for police officers, firefighters, and public school teachers.
- *Agency funds*, used to account for assets held in the custody of the District or the Financial Responsibility Authority on the behalf of others as an agent.

Account Groups

The *General Fixed Assets Account Group* is used to account for all fixed assets of the District other than those accounted for in the Proprietary Fund.

The *General Long-Term Liabilities Account Group* is used to account for all long-term debt and vacation, sick and other leave benefits of the District other than those accounted for in the Proprietary Fund.

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Thus, the accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Measurement Focus

All governmental funds and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The proprietary fund, pension trust funds, and discretely presented component units are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds and discretely presented component units are included on the balance sheet. Fund equity of the proprietary fund type and the discretely presented component units is segregated into contributed capital and retained earnings components. The related operating statements present increases (revenues) and decreases (expenses) in retained earnings. Operating statements of pension trust funds present additions and deductions in plan net assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All governmental funds, the expendable trust fund and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is when they become both measurable and available.) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund and expendable trust fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when they become due and payable.

Licenses and permits, fines and forfeits and charges for services are not considered susceptible to accrual because they are not both measurable and available to finance expenditures of the current period. Licenses and permits, and fines and forfeits are recorded as revenues when received because they are generally not measurable until actually received. Charges for services are recorded as revenues as services are provided.

Those revenues susceptible to accrual are taxes and Federal contributions and grants. Property taxes are recognized as revenue in the tax year for which they are levied, provided they are available. Real property taxes are levied as of October 1 on property values assessed as of the preceding January 1. The tax levy is due and collectible in two equal installments on March 31 and September 15. On these dates, the bill becomes delinquent and the District may assess penalties and interest. Real property taxes attach as an enforceable lien on property as of October 1 of the year after levy. Sales and use taxes are recognized as revenue when the sales or uses take place. Interest on investments is recognized as earned.

Intergovernmental revenues are amounts derived through agreements with other governments. In general, these revenues are comprised of contributions and grants made by the Federal government to the District. Contributions are recognized as revenue when received. Generally, entitlements and shared revenues are recognized as revenue when received or earlier, if measurable and available. Resources arising from grants are usually subject to restrictions; therefore, most grant revenues are recognized as revenue only when the conditions of the grant are met. Grant funds received before eligible costs are incurred are recorded as deferred revenue. Eligible grant-related expenditures or expenses incurred in advance of cash receipts are recorded as receivables and related revenue.

The proprietary fund, discretely presented component units and pension trust funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The pension trust funds recognize additions to net assets from participants' contributions when due; from District contributions when due and a formal commitment has been made, net investment income as earned, and expenditures for benefits and refunds when due and payable. The proprietary fund and discretely presented component units, except for the Public Benefit Corporation, do not apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

G. BASIS OF BUDGETING AND BUDGETARY CONTROL POLICIES

Process

During a control period, by February 1, the Mayor submits an operating budget for the upcoming fiscal year, a financial plan for each project for the Capital Projects Funds and a financial plan for the following three years to the Financial Responsibility Authority for its approval. The Financial Responsibility Authority has thirty (30) days within which to review, approve and/or reject the proposed budget and financial plans. If these are rejected, the Mayor is to submit within fifteen (15) days, a revised package to the Financial Responsibility Authority. The Financial Responsibility Authority then has fifteen (15) days within which to review, approve or reject the revised submissions. After the budget and financial plans are approved, they are submitted to the Council for a 30-day review period. The Council's financial plan and budget act is submitted to the Financial Responsibility Authority for a 15-day review and approval period. If these are rejected, the Council is to submit a revised financial plan and budget to the Financial Responsibility Authority for another 15-day review and approval period. By June 15, the Mayor submits the approved financial plan and budget request act and the Financial Responsibility Authority submits a recommended financial plan and budget to the President of the United States for review, submission to Congress and enactment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Appropriation Act

The legally adopted budget is the annual appropriation public law (Appropriation Act) enacted by Congress and signed by the President. The Appropriation Act authorizes expenditures at the function level or by functional category, such as Public Safety and Justice, Human Support Services or Public Education. Congress must enact a revision that alters the total expenditures of any function unless otherwise authorized by an act of Congress.

The District may request a revision to the appropriated expenditure amounts in the Appropriation Act by submitting to the President and Congress a request for a supplemental appropriation. During a control period, the Mayor may submit proposed revisions to the financial plan and budget during the year by following the same procedures as for the initial budget submission, except that the initial review period by the Financial Responsibility Authority is twenty (20) days instead of thirty (30) days and that a revision that does not increase the amount of spending with respect to any function is effective unless rejected by the Financial Responsibility Authority or Congress.

Pursuant to the Reprogramming Policy Act (D. C. Code 47-361), the District may reallocate budget amounts within functions. The appropriated budget amounts in the budgetary statement (Exhibit 3) include all approved reallocations. Exhibit 3 reflects budget to actual comparisons at the function level (or appropriation title). Appropriated actual expenditures and uses may not legally exceed appropriated budgeted expenditures and uses at the function level as shown on this budgetary statement. An unfavorable expenditure variance in the budgetary statement for a function is a violation of the Anti-Deficiency Act (31 U.S.C. 1341).

At the close of 2000, actual expenditures exceeded appropriated expenditures and uses in the Public Safety and Justice function. The variance is attributed to the payment of certain claims and judgments that were in excess of the amounts budgeted for that purpose. In addition, the District exceeded the budget as established for the repayment of bonds.

The Appropriation Act specifies expenditures and net surplus or deficit of revenues. The Appropriation Act does not specify revenue amounts. The legally adopted revenue budget is based primarily on the revenue estimates submitted to the President and Congress as modified through legislation. The budgetary schedule (Exhibit 3) shows Revenues and Other Sources as presented in the Conference Report (H.R. 106-479) and Expenditures and Other Uses as contained in the Appropriation Act (PL 106-113.)

The budgetary general fund differs from the GAAP- basis general fund by including the Financial Responsibility Authority special revenue fund and the University discretely presented component unit and by excluding the Retirement Board and the Correctional Industries Division. The annual appropriated budget is enacted on a basis that is not consistent with GAAP because of differences that result from budgeting inventory, Medicaid, certain pension and other employee benefits, and other expenditures on a cash basis, and budgeting dedicated tax revenues to the benefiting fund rather than to the fund with the authority to levy and collect the tax. The Financial Responsibility Authority recognizes budgetary expenditures when orders and contracts are issued rather than when goods and services are received. Annual appropriations lapse at year-end unless amounts have been duly encumbered.

Adjustments necessary to reconcile the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses from budget basis to GAAP basis are shown in Exhibit 3, Statement of Revenues, Expenditures and Reconciliation of Budgetary Basis With GAAP Basis – General Fund. This statement also reflects revisions to the original budget as authorized by the Financial Responsibility Authority, pursuant to Public Laws 104-8 and 106-113.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the appropriation, is employed in the governmental fund types. Encumbrances outstanding at year-end do not constitute expenditures or liabilities for GAAP or budgetary statement basis financial statements. The fund balance is "reserved for encumbrances" to indicate the portion that is available for expenditure upon vendor performance.

H. CASH AND INVESTMENTS

Cash

Cash from all funds and certain component units, excluding the Financial Responsibility Authority, is pooled unless prohibited by law. The cash management

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

pool is considered to be cash because it is used as a demand deposit account by each fund and component unit. If a fund overdraws its share of the pooled cash, that fund reports a liability to the General Fund, which is deemed to have loaned the cash to the overdrawn fund. The General Fund reports a receivable from the overdrawn fund.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature in such a short period of time that their values are effectively immune from changes in interest rates. The District's cash management pool is considered a cash equivalent. For an investment to be considered a cash equivalent, it must mature no more than three months after the date it is purchased.

Investments

Any cash that is not needed for immediate disbursement is used to purchase investments. The District purchases legally authorized investments consistent with the provisions of the "Financial Institutions Deposit and Investment Amendment Act of 1997" (D.C. Law 12-56), which became effective March 18, 1998. At September 30, 2000, the District has invested primarily in investments backed by U. S. government agencies' securities, with the implicit guarantee of the federal government and in corporate securities. Such investments are considered to be the equivalents of cash. The Pension Trust Funds are authorized to invest in fixed income, equity securities and other types of investments.

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. Cash received as collateral on securities lending transactions and investments made with such are reported as assets and as related liabilities for collateral received.

I. PREPAID ITEMS AND DEFERRED CHARGES

Prepaid items are for payments made by the District in the current year for services to be received in the subsequent fiscal year. Such advance payments are recorded as prepaid charges at the time of prepayment and recognized as expenditures/expenses when the related services are received.

In governmental fund types, bond discounts (premiums) and issuance costs are recognized in the current period as interest and fiscal charges, respectively. In the proprietary fund and discretely presented component units, bond discounts (premiums) and issuance costs are capitalized as deferred charges and amortized as fiscal charges over the term of the bonds.

J. INVENTORIES

Inventories in the General Fund consist of expendable supplies and materials held for consumption. Inventories on hand at year-end are stated at cost (generally using the weighted-average method.) The District utilizes the consumption method to account for inventory whereby materials and supplies are recorded as inventory when purchased and as expenditures/expenses when they are consumed.

The inventories in the proprietary fund and discretely presented component units also consist of materials and supplies and are recorded at the lower of weighted average cost or market.

K. RECEIVABLES AND PAYABLES

Taxes receivable are taxes levied by the District, including interest and penalties on delinquent taxes, which have not been collected, canceled or abated, less the portion of the receivables estimated not to be collectible. Accounts receivable are amounts owed by customers for goods or services sold. Intergovernmental receivables are amounts owed by other governments to the District.

Accounts payable are amounts owed to vendors for goods or services purchased. Intergovernmental payables are amounts owed to other governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Short-term amounts owed between funds are classified as "Due to/from other funds" in the balance sheet. Short-term amounts owed between the primary government and a discretely presented component unit are classified as "Due to/from primary government" and "Due to/from component unit" in the balance sheet.

L. TRANSFERS AND OTHER TRANSACTIONS BETWEEN FUNDS

Interfund transactions are categorized as (a) revenues and expense/expenditure transactions consisting of temporary interfund transactions which include reimbursements and quasi-external transactions or (b) reallocation of resources transactions including temporary interfund loans or advances, permanent residual equity transfers or operating transfers.

Legally authorized interfund transfers, other than those that are nonrecurring or non-routine transfers of equity, are considered operating transfers. Reimbursements between funds occur when expenditures/expenses made from one fund are properly applicable to another fund.

Operating transfers are included in the results of operations of both the governmental and proprietary fund types. Accordingly, operating transfers are reported in the "Other Financing Sources (Uses)" section of the statement of revenues, expenditures, and changes in fund balance (governmental funds) and in the "Operating Transfers" section in the statement of revenues, expenses, and changes in retained earnings (proprietary funds.)

M. FIXED ASSETS

General Fixed Assets Account Group

Fixed assets used in Governmental Fund type operations are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. All purchased fixed assets are stated at cost when historical records are available and at estimated historical cost when no historical records exist. Assets acquired through capital leases are stated at the lesser of the present value of the lease payments or the fair value of the asset at the date of lease inception. Donated fixed assets are stated at their estimated fair market value on the date received. The cost of maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Betterments are capitalized over the remaining useful lives of the related fixed assets. Public domain (infrastructure) improvements, such as bridges, curbs, gutters, lights, sidewalks, streets, and similar assets that are immovable and of value only to the District, are capitalized as improvements.

Proprietary Fund Type and Discretely Presented Component Units

Fixed assets used by the proprietary fund and the discretely presented component units are capitalized in the funds that utilize the assets. Such assets are recorded at cost, or if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Interest is capitalized in the proprietary fund on assets constructed with long-term debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred on tax-exempt debt from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period.

Capitalization and Depreciation Policies

Assets capitalized have an original cost of $5,000 or more per unit. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives for fixed assets are shown in **Table 1** by category.

Table 1 – Estimated Useful Lives (by Asset Category)

	Useful Life
Sewer lines	60 years
Buildings	30-50 years
Equipment	3-15 years
Vehicles	7 years
Infrastructure	30 years

Depreciation of general fixed assets is accumulated in the General Fixed Assets Account Group. No expenditure is reported for this amount in the governmental fund types. Depreciation of proprietary fixed assets and that of discretely presented component units is reported as an operating expense in the funds that utilize the assets. Depreciation on such fixed assets acquired through capital grants is closed to Contributed Capital and reported in the operating statements as an adjustment to net income (loss) at the Water and Sewer Authority and the University.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. CAPITAL LEASES

Capital lease obligations for the governmental fund types are reported in the General Long-Term Liabilities Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital lease obligations for the proprietary fund and discretely presented component units are reported in those funds as long-term obligations, along with the related assets and depreciation.

O. COMPENSATED ABSENCES

Benefit Accumulation Policies

The District's policy allows employees to accumulate unused sick leave, with no maximum limitation. Vacation (annual) leave may be accumulated up to 240 hours, depending on the employee's length of service.

Accrual and Recording Policies

The District records accumulated annual leave in its governmental funds in an amount that is expected to be used by the end of the current calendar year as an expenditure and liability. Accumulated annual leave that will not be used by the end of the current calendar year is reported in the General Long-Term Liabilities Account Group. Accumulated annual leave of the proprietary fund and discretely presented component units is recorded as an expense and liability of those funds as the benefits accrue to employees.

The District does not record a liability for non-vesting accumulating rights to receive sick pay benefits. At the time of retirement, unused sick leave is credited at the rate of 22 days for each month of service and is added to the retirees' years of service in the Civil Service Retirement System and in the District Retirement Program.

An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments at time of retirement rather than be taken as absences due to illness or other contingencies. The District estimates the sick leave liability based on the sick leave accumulated at the balance sheet date by employees who are currently eligible for retirement and to receive sick leave payments upon separation, or who are expected to become eligible in the future to receive such payments. Accumulated compensatory leave in lieu of paid overtime is reported in the General Long-Term Liabilities Account Group for governmental funds or in the proprietary fund or discretely presented component units.

P. RESTRICTED ASSETS

Certain general fund, component unit, enterprise fund and all fiduciary fund assets are restricted as to use by legal or contractual requirements. In addition, certain taxes that have been designated for certain highway projects are legally restricted and are included as restricted assets in the Capital Projects Funds. Any excess of restricted assets over liabilities payable from restricted assets is reported as part of the reserved fund balance in the appropriate fund to indicate that portion of the fund balance that is available for restricted purposes only. Governmental funds report restricted assets for cash deposited in bank accounts legally restricted for certain purposes such as the payment of bond principal and interest or the payment of fiscal fees on long-term debt.

Q. LONG-TERM LIABILITIES

Under the District of Columbia Home Rule Act, as amended, and the National Capital Revitalization and Self-Government Improvement Act of 1997, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the total amount of the principal and interest paid in any fiscal year on all general obligation debt to exceed 17% of the revenues of any fiscal year. This limitation does not apply to the general obligations of the component units. The legal debt limitation is calculated annually by dividing maximum annual principal and interest by current year total local source revenues (excluding revenue and debt of the Water and Sewer Authority, pursuant to the Home Rule Act.)

General obligation bonds, revenue bonds and other long-term liabilities directly related to and intended to be paid from the proprietary fund or discretely presented component units are included in the accounts of such funds. All other long-term indebtedness of the District, such as disability compensation, compensated absences, employee separation incentives and accreted interest liabilities, which have been incurred but not financed, are reported in the General Long-Term Liabilities Account Group. Such obligations are to be paid through the District's General Fund.

Capital appreciation bonds are issued with a stated interest rate of zero percent. The associated interest is not paid until the bonds mature. Accreted interest is calculated throughout the maturity periods of the bonds and is recorded in the General Long-Term Liabilities Account Group. The accreted value of such bonds is the current value, taking into account the interest that has

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

been accumulating and automatically applied to the bonds.

R. NATURE AND PURPOSE OF FUND BALANCE RESERVATIONS AND DESIGNATIONS

The amount of fund balance that is available for future operations is presented as "unreserved." Reservations of fund balance represent amounts that are legally or statutorily identified for specific purposes or portions that are not appropriable for expenditure. Designations of fund balance represent management's intent to fund future projects, but do not represent a legal or statutory requirement to do so. The District did not designate any portions of fund balance during fiscal year 2000.

As of September 30, 2000, the District had established the following reservations:

Reserve for early reduction of debt – This portion of fund balance represents that portion of required fund balance (4 percent of the projected General Fund expenditures for the subsequent fiscal year) that would be available for early reduction of debt, pursuant to P.L. 106-113 and H. R. 106-479.

Reserve for debt service–bond escrow – This portion of fund balance represents that portion of investments held in escrow that are available for future debt service obligations or requirements.

Reserve for operations – This portion of fund balance represents amounts that, in accordance with legislative mandate, are held in an emergency reserve fund, to be used for unanticipated and non-recurring, extraordinary needs of an emergency nature.

Reserve for Pay As You Go Financing – This portion of the fund balance represents resources that would be available for the funding of capital projects or other needs utilizing current revenues.

Reserve for tobacco settlement – This portion of the fund balance represents Tobacco Settlement funds that are available for appropriation and expenditure, for purposes consistent with the corresponding legislation.

Reserve for long-term assets - This portion of fund balance represents those long-term assets that are not available for appropriation and expenditure at September 30, 2000.

Reserve for other assets – This portion of fund balance represents that portion of other assets that is not available for appropriation and expenditure at September 30, 2000.

Reserve for inventories – This portion of fund balance represents that portion of inventories that is not available for appropriation and expenditure at September 30, 2000.

Reserve for proceeds from property sales – This portion of fund balance represents proceeds from the sale of property that are to be used for a specific purpose.

Reserve for encumbrances - This portion of fund balance represents the portion of the fund balance that has been segregated for expenditure on vendor performance.

Reserve for joint venture – This portion of fund balance represents amounts that have been placed in escrow for transfer to the Washington Metropolitan Area Transit Authority, in the form of capital subsidies.

Reserve for capital project expenditures - This portion of fund balance represents resources of the District that are available at September 30, 2000 for expenditure relating to capital projects.

Reserve for future benefits - This portion of fund balance represents the portion of resources that is available for benefit payments from the Unemployment Compensation and the Pension Trust Funds at September 30, 2000.

S. POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, employees may receive postretirement health care and life insurance benefits. In fiscal year 2000, there were 16,094 individuals eligible to receive such benefits. The cost of providing such benefits to employees hired prior to October 1, 1987 is borne by the federal government. Pursuant to D. C. Code 1-622, employees hired after September 30, 1987 who subsequently retire may be eligible to continue their health care benefits plan. Furthermore, in accordance with D. C. Code 1-623, these employees may convert their group life insurance to individual life insurance. It is this portion of the cost (that relating to employees hired after September 30, 1987) for which the District bears responsibility. The District does not record a liability for its portion of the cost of postretirement benefits but rather records such cost as expenditures when premiums are paid. During the year, $3,661 of expenditures were recognized for post-retirement healthcare and life insurance benefits.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

U. RESTATEMENTS

General Fund

In 1999, a portion of long-term debt was removed from the General Long Term Liabilities Account Group in anticipation of defeasing a portion of the outstanding bonds in 2000. The amount reclassified as current maturities should have remained in the General Long-Term Liabilities Account Group because the settlement of this debt did not require expenditure of current available resources.

Additionally, during 2000, it has been determined that the Medicaid receivables and related revenues at September 30, 1999 were overstated by $9,709. As a result of these two sets of circumstances, the fund balance in the General Fund at September 30, 1999, has been restated as follows.

As previously reported	$198,919
Adjustment for improper recording of current maturities of debt	35,000
Adjustment for overstatement of Medicaid receivables	(9,709)
As restated	$224,210

General Fixed Assets Account Group

In prior years, the District has capitalized assets related to the transit system infrastructure. During 2000, it has been determined that such assets are not to be capitalized because the District does not have equity interest in its joint venture, the Washington Metropolitan Area Transit Authority. Accordingly, these assets have been removed from the General Fixed Assets Account Group. As such, Investments in General Fixed Assets and property and equipment, net, at September 30, 1999, have been restated as follows:

	Investment in fixed assets	Property and equipment, net
As previously reported	$3,378,032	$3,378,032
Adjustment for proper treatment of joint venture assets	(815,778)	(815,778)
As restated	$2,562,254	$2,562,254

Capital Projects Fund

During 2000, it was determined that a transfer of funds from one cash account to the escrow account established for the joint venture with the Washington Metropolitan Area Transit Authority, should have been recorded as a reclassification between cash accounts rather than as an expenditure. As a result, fund balance of the Capital Projects Funds at September 30, 1999 has been restated, as shown below:

As previously reported	$387,531
Adjustment for overstatement of expenditures	91,394
As restated	$478,925

Discretely Presented Component Units

Convention Center

During 2000, the Convention Center determined that interest earned on unspent bond proceeds during the construction period should be offset against interest incurred during the construction period in the determination of the amount of interest to be capitalized. Consequently, retained earnings at September 30, 1999 has been restated as follows.

As previously reported	$204,155
Adjustment for overstatement of revenues	(28,114)
As restated	$176,041

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

University of the District of Columbia

During 2000, retained earnings of the University of the District of Columbia was restated to correct certain accounting related to tuition receivables, accrued litigation and other liabilities. Consequently, the fund balance at September 30, 1999 has been restated as follows:

As previously reported	$18,461
Adjustments to correct net tuition receivable, accrued litigation, and other accrued liabilities	1,851
As restated	$20,312

NOTE 2. CASH AND INVESTMENTS

A. CASH

The District of Columbia follows the practice of pooling cash and cash equivalents for some of its governmental funds and component units in order to provide better physical custody and control of cash, to enhance operating efficiency and to maximize investment opportunities. In accordance with District policies, substantially all deposits within the custody of the District Treasurer were insured or collateralized with securities held by the District or by its agent in the District's name. As of September 30, 2000, approximately $6 million of the $1,039,619 in deposits held by the District Treasurer were not insured or collateralized with securities held by the District or agent in the District's name. At September 30, 2000, the carrying amount of cash (deposits) for the primary government was $ 789,881 and the bank balance was $ 744,423 The carrying amount of cash (deposits) for the component units was 52,157 and the bank balance was $ 55,445

B. INVESTMENTS

Investments held by the District at September 30, 2000 have been categorized according to the level of custodial credit risk associated with its custodial arrangements at the end of the period.

Custodial Credit Risk Categorization

Custodial credit risk refers to the risk that the District may not be able to obtain possession of its investments in the event of default by a counterparty. The three types of custodial credit risk are:

- Category 1, which includes investments that are insured or registered or for which securities are held by the District or its agent in the District's name;
- Category 2, which includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the District's name; and
- Category 3, which includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent, but not in the District's name.

Investments not evidenced by securities that exist in physical or book entry form are not categorized. Investments by type and category at September 30, 2000 are shown in **Table 2** on the following page.

Derivative Investments

In accordance with the policies of the Retirement Board and pursuant to D. C. Code Section 1-741(a)(2)(C), during 2000, the Pension Trust Funds (the Funds) broadly diversified investments of the District Retirement Funds to increase potential earnings or to hedge against potential losses. Derivative investments are defined as contracts, the values of which depend on or are derived from the value of an underlying asset, reference rate, or index. Derivative investments often contain exposure to market risk resulting from fluctuations in interest and currency exchange rates or changes in the price or principal value of a security. The investment credit risk results from the creditworthiness of the counterparties to the contracts and, for asset backed securities and collateralized mortgage obligations, the creditworthiness of the related consumers

NOTE 2. CASH AND INVESTMENTS

and mortgagees. The Retirement Board maintains that all contracts are legally permissible in accordance with its policy.

For 2000, derivative investments included foreign currency forward contracts, mortgage-backed security pools, collateralized mortgage obligations, asset backed securities and floating rate notes, interest only treasury securities, bond options and futures, and equity index futures. These derivative investments are included in the Category 1 investments shown in **Table 2**.

Table 2 – Investments by Type and Category ($000s)

	Category			Total
	1	2	3	Carrying Value
Primary Government:				
Investments:				
U. S. government securities	$ 77,199	$ 17	$ -	$ 77,216
Repurchase agreements	730,713	-	-	730,713
Corporate securities	5,000	14,261	-	19,261
Pension trust funds investments:				
Equity securities (net of securities transaction payable of $356,256)	921,443	-	-	921,443
Fixed income securities	682,162	-	-	682,162
	2,416,517	14,278	-	2,430,795
Not Categorized:				
Mutual funds				457,919
Pension trust funds investments:	-	-	-	
Real estate	-	-	-	5,295
Equity securities	-	-	-	46,148
Fixed income securities	-	-	-	78,874
Securities lending collective investment pool	-	-	-	129,091
Total investments (excluding certifcates of deposit (primary government))	2,416,517	14,278	-	3,148,122
Component Units:				
U. S. government securities	55,320	261,661	10,546	327,527
Repurchase agreements	89,336	-	-	89,336
Corporate securities	96,242	274,778	3,771	374,791
Investment contracts	-	-	-	430,076
	240,898	536,439	14,317	1,221,730
Mutual funds				73,413
Total investments (component units)				1,295,143
Total reporting entity				**$ 4,443,265**

NOTE 2. CASH AND INVESTMENTS

The Funds used asset backed securities (ABS), collateralized mortgage obligations (CMOs,) mortgage-backed pools and securities, floating rate notes, structured notes, stripped/zero coupon bonds, and forward mortgage backed security contracts (TBAs) primarily to increase potential returns. ABS and mortgage-backed pools and securities offer higher potential yields than comparable duration U. S. Treasury Notes with higher credit and market risks. CMO's also offer higher potential yields than comparable duration U. S. Treasury Notes, with higher market risks, although the market risks may be higher or lower than comparable mortgage-backed pools. Market risk for asset backed and mortgage backed pools and securities is managed by monitoring the duration of the investments. Credit risk is managed by monitoring credit ratings, the underlying collateral for each security and any related guarantee.

Floating rate notes (securities that pay an interest rate tied to an index) are subject to market risk to the extent of the movement of the underlying index in relation to market rates. A downward movement in the underlying index would negatively impact the interest income received on this security. Upward movements in interest rates do not adversely affect floating rate notes as much as they do fixed rate notes, allowing floating rate notes to function as a hedge against upward changes in interest rates.

The Funds invest in structured notes with step-up coupons that offer higher yields than comparable U. S. Treasury Notes in exchange for higher market and/or credit risks. Securities with step-up coupons pay interest according to a pre-set series of interest rates, which start at one rate and then step-up to higher rates on specific dates. The Funds also contain stripped/zero coupon bonds, which are purchased at a discount and do not pay an interest rate.

TBAs are used by the Funds as an alternative to holding mortgage-backed securities outright to raise the potential yield and to reduce transaction costs. The TBAs used are assumed to be similar in duration to mortgage backed securities with identical credit, coupon, and maturity features. Credit risk is managed by limiting these transactions to primary dealers. Market risk for this type of security is not significantly different from the market risk for mortgage-backed securities.

Foreign currency forward and futures contracts and foreign currency options are used by the Funds for defensive purposes. These contracts hedge a portion of the Fund's exposure to particular currencies on occasion when significant adverse short-term movement in exchange rate levels are expected. Foreign currency forward and futures contracts can pose market risk when the maximum potential loss on a particular contract is greater than the value of the underlying investment.

Market risks arise due to movements in the foreign exchange rates underlying the contracts used by the Funds. Credit risk is managed by limiting transactions to counterparties with short-term credit ratings of A1 or P1 or by trading on organized exchanges. Market risk for currency options is limited to the purchase cost. Credit risk is managed by limiting transactions to counterparties with investment grade ratings or trading on organized exchanges.

Exchange-traded and over-the-counter bond futures and options were used by the Funds to gain exposure to fixed income markets in a more efficient and liquid manner than by purchasing the underlying bonds. Market risk for these options is limited to purchase cost. Credit risk is managed by limiting transactions to counterparties with investment grade ratings or by trading on organized exchanges.

Warrants were used by the Funds to gain equity exposure and to enhance performance. Warrants are often distributed by issuers to holdings of common stock and bonds, and are held for the same fundamental reasons as the original common stock and/or bond holdings. Market risk is limited to the purchase cost. Credit risk is similar to the underlying equity and/or bond holdings. At September 30, 2000, the Funds did not have any warrants outstanding.

The Funds also hold derivative investments indirectly by participating in pooled, commingled, mutual or short-term funds that hold derivatives. Information regarding any risks associated with these holdings is not generally available.

At September 30, 2000, Pension Trust Funds' portfolio included $439,434 of derivative investments, or 20.3% of the pension investment portfolio. The proportion of derivative investments varied at times throughout the year. Further information regarding balances throughout the year is not available. Derivative investments by type at September 30, 2000 are shown in **Table 3.**

NOTE 2. CASH AND INVESTMENTS

Table 3 – Derivative Investments by Type ($000s)

Investment Instrument Type		
Mortgage backed security pools and securities	$	31,023
Collateralized mortgage obligations		11,455
Asset backed securities		56,069
Floating rate notes		11,581
Mortgage backed securities forward contracts		293,451
Inflation index bonds		29,954
Structured notes (including stripped securities)		15,183
Foreign currency futures/forward contracts,		(6,528)
Options		(2,754)
Total derivatives	$	439,434

At September 30, 2000, the Housing Finance Agency held $260,160 in Government National Mortgage Association (GNMA) certificates, which are classified as mortgage-backed securities.

SECURITIES LENDING

During FY 2000, the master custodian, at the direction of the Retirement Board, lent the Funds' equity securities and received collateral in the form of cash (United States and foreign currency), securities issued or guaranteed by the United States government, the sovereign debt of Organization of Economic Cooperation and Development countries and irrevocable letters of credit by a bank insured by the FDIC. The collateral could not be pledged or sold unless the borrower defaulted on the loan. Borrowers delivered collateral for each loan equal to (i) at least 102% of the market value of the loaned securities if these securities were sovereign debt issued by a foreign government denominated in U. S. dollars or their primary trading market was located in the United States; or (ii) 105% of the market value of the loaned securities in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

The Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. At September 30, 2000, the investment pool had an average duration of 74 days and an average weighted maturity of 161 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral.

During FY 2000, the Retirement Board did not restrict the amount of loans that the master custodian made on its behalf. No failure to return loaned securities or to pay distributions occurred during the year, and no losses were incurred from a default of a borrower or the master custodian. The Funds had no credit risk exposure to borrowers as of year-end. As of September 30, 2000, the collateral held and the market value of securities on the loan for the Board were $131,387 and $134,420, respectively. The collateral held is included in cash and investments shown in Exhibit 6 and the liabilities associated with the securities lending transactions are

NOTE 2. CASH AND INVESTMENTS

reported in Exhibit 6, at their carrying amounts, which are less than their market values.

At the close of 2000, gross earnings from securities lending transactions totaled $10,137. The income (net of amortization and accretion), the net realized/unrealized gain attributable to discount and premium, and the net increase in net assets resulting from operations totaled $8,326, $1,573 and $9,899, respectively. The Funds' share of the net earnings on securities lending transactions totaled $214 in 2000.

NOTE 3. RESTRICTED ASSETS

At September 30, 2000, restricted assets of the primary government and its component units totaled $3,881,303, as summarized in **Table 4**.

Table 4 – Summary of Restricted Assets ($000s)

	General	Capital Projects	Enterprise	Trust and Agency	Component Units
Bond Escrow Accounts	$205,712	-	-	-	-
Restricted Investments – Unpaid Prizes *(Lottery Board)*	-	-	76,878	-	-
Joint Venture Escrow Fund	-	73,554	-	-	-
Restricted Cash and Investments	-	-	-	2,955,780	569,379
Totals	205,712	73,554	76,878	2,955,780.	569,379

NOTE 4. COMPONENT UNIT AND INTERFUND BALANCES AND OTHER RECEIVABLES

A. RECEIVABLES AND PAYABLES BETWEEN FUNDS AND COMPONENT UNITS

Due to/due from and interfund receivable and payable balances for each individual fund and component unit at September 30, 2000, were as shown in **Table 5**.

Table 5 – Summary of Due To/Due From and Interfund Balances ($000s)

	Primary Government/ Component Units		Interfund	
Fund or Component Unit	**Receivables**	**Payables**	**Receivables**	**Payables**
General	$ 64,843	25,484	62,451	4,509
Financial Responsibility Authority	-	-	167	-
General Capital Improvement	-	-	440,490	14,397
Unemployment Compensation	-	-	414	-
Financial Responsibility Authority Fund	-	5,563	3,100	488,544
Pension Trust - Teachers' Retirement Fund	-	-	1,018	190
Public Benefit Corporation	-	42,059	-	-
Water and Sewer	20,749	-	-	-
Convention Center	4,759	-	-	-
Sports Commission	-	2,177	-	-
University	5,539	20,607	-	-
Total	**$ 95,890**	**95,890**	**507,640**	**507,640**
Less-allowance for uncollectibles	42,059		-	
Net total	**$ 53,831**		**507,640**	

NOTE 4. COMPONENT UNIT AND INTERFUND BALANCES AND OTHER RECEIVABLES

B. OTHER RECEIVABLES

Taxes and other receivables are valued at their estimated collectible amount. These receivables are presented in various funds as shown in **Table 6.**

Table 6 - Other Receivables ($000s)

	General Fund	Capital Projects	Enterprise	Trust and Agency	Discretely Presented Component Units
Gross Receivable:					
Taxes	$ 268,212	-	-	-	-
Accounts	204,314	16,740	4,407	39,028	113,454
Total gross receivable	**472,526**	**16,740**	**4,407**	**39,028**	**113,454**
Less-allowance for uncollectibles	207,589	-	456	13,384	-
Total net receivable	**$ 264,937**	**16,740**	**3,951**	**25,644**	**113,454**

NOTE 5. FIXED ASSETS

A. GENERAL FIXED ASSETS BY CLASS

Table 7 presents the changes in the General Fixed Assets Account Group by category for the primary government:

Table 7 - Changes in the General Fixed Assets by Asset Class ($000s)

Asset Class	Balance October 1, 1999 (Restated)	Additions	Transfers/ Dispositions	Balance Sepetmebr 30, 2000
Land	$ 240,288	-	(47)	240,241
Improvements	2,214,941	-	153,370	2,368,311
Buildings	2,291,662	-	37,173	2,328,835
Equipment	341,705	20,934	(3,683)	358,956
Construction in progress	91,249	385,232	(276,216)	200,265
Total	**5,179,845**	**406,166**	**(89,403)**	**5,496,608**
Less-accumulated depreciation	(2,617,591)	(162,310)	383,210	(2,396,691)
Net general fixed assets	**2,562,254**	**243,856**	**293,807**	**3,099,917**
Governmental	1,641,446	972,013	(516,570)	2,096,889
Intergovernmental	920,808	87,621	(5,401)	1,003,028
Total resources invested	**$ 2,562,254**	**1,059,634**	**(521,971)**	**3,099,917**

NOTE 5. FIXED ASSETS

Capital outlays totaled $435,336 for the fiscal year ended September 30, 2000, which are reported in the Capital Projects Funds. As construction progresses, the cumulative expenditures are capitalized as construction in progress in the General Fixed Assets Account Group. Upon completion of the asset, the balance in the Construction in Progress account is transferred to an appropriate descriptive capital asset account such as building or equipment or amounts are expensed, as deemed to be most appropriate in the circumstances.

General fixed assets at October 1, 1999 have been restated to reflect the deletion of $815,788 in transit system infrastructure because the District has no equity interest in the assets of its joint venture. Prior to 2000, the District had been capitalizing such assets in error.

B. GENERAL FIXED ASSETS BY FUNCTION

Table 8 presents the changes in the General Fixed Assets by function for the primary government:

Table 8- General Fixed Assets by Function ($000s)

Function	Balance October 1, 1999 (restated)	Additions	Transfers/ Dispositions	Balance September 30, 2000
Governmental direction and support	$ 471,485	916	(1,135)	471,266
Economic development and regulation	134,384	1,060	(303)	135,141
Public safety and justice	707,514	7,543	31,178	746,235
Public education system	695,170	4,963	580	700,713
Human support services	428,499	4,595	6,457	439,551
Public works	2,651,545	1,857	150,035	2,803,437
Construction in progress	91,249	385,232	(276,216)	200,265
Total	**$ 5,179,846**	**406,166**	**(89,404)**	**5,496,608**

C. ENTERPRISE FUND FIXED ASSETS

Enterprise fund fixed assets are as presented in **Table 9**.

Table 9 - Enterprise Fund Fixed Assets ($000s)

Asset Class	Balance October 1, 1999	Additions	Transfers/ Dispositions	Balance September 30, 2000
Equipment	$ 3,154	235	(260)	3,129
Total	**3,154**	**235**	**(260)**	3,129
Less-accumulated depreciation	(2,754)	(155)	260	(2,649)
Net fixed assets	**$ 400**	**80**	**(520)**	**480**

D. DISCRETELY PRESENTED COMPONENT UNITS FIXED ASSETS

A summary of fixed assets by class for the discretely presented component units is shown in **Table 10**.

NOTE 5. FIXED ASSETS

Table 10 - Fixed Assets by Class for the Discretely Presented Component Units ($000s)

Asset Class	Balance October 1, 1999	Additions	Transfers/ Dispositions	Balance September 30, 2000
Land	$ 41,774	298	-	42,072
Utility plant	1,554,454	37,382	-	1,591,836
Buildings	342,392	2,105	2,109	346,606
Equipment	130,186	16,202	(2,974)	143,414
Construction in progress	191,720	212,015	(22,943)	380,792
Total	**2,260,526**	**268,002**	**(23,808)**	**2,504,720**
Less-accumulated depreciation	761,112	43,249	30,528	834,889
Net fixed assets	**$ 1,499,414**	**224,753**	**(54,336)**	**1,669,831**

E. CONSTRUCTION IN PROGRESS

Construction in progress by function is shown in **Table 11**:

Table 11 – Construction In Progress by Function ($000s)

Function	Number of Projects	Authorizations	Expenditures	Unexpended Balances
Governmental direction and support	9	$ 392,462	115,742	276,720
Public safety and justice	4	22,347	1,773	20,574
Public education system	6	601,538	70,301	531,237
Human support services	13	92,938	8,714	84,224
Public works	8	23,122	3,736	19,386
Total general	**40**	**$ 1,132,407**	**200,266**	**932,141**

The Capital Projects Funds include certain assets and liabilities arising from dedicated taxes that are legally restricted for various highway projects. Any excess of restricted assets over liabilities payable from restricted assets is reported as "reserved for capital project expenditures."

Contributed Capital

Contributed capital is created when a residual equity transfer is received by a proprietary fund or component unit, when a general fixed asset is "transferred" to a proprietary fund or when a grant is received that is externally restricted to capital acquisition or construction. Five component units reported contributed capital totaling $699,627, as follows:

At September 30, 2000, the Public Benefit Corporation reported $119,816 in contributed capital. This amount includes funds provided by the District for improvements to the facilities and acquisitions of equipment.

The Water and Sewer Authority's contributed capital originates from two sources. Federal government contributed capital represents the undepreciated balances of the utility plant constructed from federal funding sources. District of Columbia contributed capital represents its original equity on September 30, 1979, the date the Water and Sewer Fund was organized, plus donated property and assets transferred from the District's General Fixed Assets Group of Accounts during subsequent years. At September 30, 2000, Federal government contributed capital totaled $225,590 and District contributed capital totaled $173,593.

NOTE 5. FIXED ASSETS

The contributed capital of the Washington Convention Center totaled $95,361 at September 30, 2000. Contributed capital consists of building, equipment and certain monies transferred from the District.

The Sports and Entertainment Commission reported contributed capital of $15,715 at September 30, 2000. This amount is related to funds provided by the District for construction of and improvements to the RFK Stadium.

The University of the District of Columbia reported contributed capital in the amount of $69,552 2. This amount includes funds provided by the District for capital improvements.

The changes in the contributed capital accounts are summarized in **Table 12**:

Table 12 – Changes in Component Unit Contributed Capital ($000s)

	Balance October 1, 1999	Contributions	Retirements	Balance September 30, 2000
Public Benefit Corporation	$119,816		-	119,816
Water and Sewer Authority	397,753	5,919	(4,489)	399,183
Washington Convention Center	95,361			95,361
Sports and Entertainment Commission	15,715			15,715
University of the District of Columbia	71,611	1,531	(3,590)	69,552
Total Contributed Capital	$700,256	7,450	(8,079)	$699,627

NOTE 6. SHORT-TERM DEBT AND CONDUIT DEBT OBLIGATIONS

A. TAX REVENUE ANTICIPATION NOTES

The District issued $70 million in Tax Revenue Anticipation Notes (TRANs) to finance its seasonal cash needs during the year. That borrowing occurred on December 30, 1999 and matured on September 30, 2000. Total interest paid on these notes was $3,002.

B. INDUSTRIAL REVENUE BOND PROGRAM

The District has issued, under its Industrial Revenue Bond Program, private activity bonds for which the principal and interest are payable solely from defined revenues of private entities, such as non-profit organizations. The District has no obligation for this debt beyond resources that may have been provided by related leases or loans. Organizations participating in the Industrial Revenue Bond Program are allowed to borrow at the prevailing municipal bond rate. These private activity bonds provide economic incentive to construct, modernize or enhance private entity facilities in the District thereby supporting the District's economic base. As of September 30, 2000, the aggregate outstanding principal amount for these conduit debt obligations was $2,894,551.

NOTE 7. LONG - TERM LIABILITIES

A. LONG-TERM DEBT

Primary Government

At September 30, 2000, the District had serial and term general obligation bonds and variable demand obligation bonds outstanding totaling $3,109,728. The interest rate for the outstanding debt ranged from 4.500% to 7.250% for the general obligation bonds and 5.500% for the variable demand obligation bonds.

Prior to the creation of the Water and Sewer Authority as an independent entity, the District issued general obligation bonds to fund improvements to the water and wastewater system. The Water and Sewer Authority is responsible for this debt. While the Water and Sewer Authority is not directly liable for the general obligation bonds, it is required by enabling legislation to transfer to the District the funds necessary to pay its portion of the debt service on these bonds. Accordingly, a portion of these bonds totaling $100,147 is reflected in the financial statements of the Water and Sewer Authority.

The remainder of the bonds were authorized and issued primarily to provide funds for certain other capital projects and improvements. They are backed by the full faith and credit of the District. The bonds are further secured by a security interest in and lien on the funds derived from a Special Real Property Tax levied annually by the District. Amounts collected are deposited in banks and held in escrow for payment of bond principal and interest when due. A summary of the changes in general long-term bonds of the primary government is shown in **Table 13.**

Table 13 - Changes in General Long-Term Bonds of Primary Government ($000s)

	General Obligation Bonds
Debt payable at October 1, 1999	**$ 3,136,511**
Bond proceeds:	
Series 1999A	66,550
Series 1999B	122,635
Other	4,086
Total	**3,329,782**
Debt payments:	
Principal matured	185,334
Principal defeased	34,720
Debt payable September 30, 2000	**3,109,728**
Less-current maturities	-
Long term debt	**$ 3,109,728**

A summary of debt service requirements for general long-term debt to maturity for these bonds is shown in **Table 14**.

Table 14 - Summary of Debt Service Requirements for General Long-Term Debt to Maturity ($000s)

Year Ending September 30	General Obligation Principal	General Obligation Interest
2001	$ 156,830	171,219
2002	139,303	160,346
2003	164,379	152,814
2004	176,253	144,812
2005	192,295	134,749
2006 - 2010	1,072,421	511,438
2011 - 2015	632,648	307,558
2016 - 2020	575,599	236,033
Total	**$ 3,109,728**	**1,818,969**

NOTE 7. LONG - TERM LIABILITIES

Current Year Bond Issuance

On September 22, 2000, the District issued $66,550 in variable rate demand obligation bonds (Series 2000A) to mature on June 1, 2015 and $122,635 in variable rate demand obligation bonds (Series 2000B) to mature on June 1, 2030. Total bond proceeds of $189,185 are to be used to fund capital projects totaling $186,496 and bond issuance costs of $2,522. The remaining $167 has been recorded as miscellaneous revenues. These bonds will bear interest from their date of issue at a variable rate unless converted to a fixed interest rate, ARS rate or flexible rate in accordance with the indenture. The bonds were initially issued as variable rate bonds bearing interest at weekly rate periods; however, the interest rate borne by the variable rate bonds is subject to change. The effective rates of interest at September 30, 2000 for the Series 2000A and Series 2000B bonds were 5.4708% and 5.5034%, respectively.

Defeased Bonds

In prior years, the District has defeased certain bond issues by issuing refunding bonds. The proceeds from such issuances were used to purchase investments that were placed in irrevocable trusts. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the General Long-Term Liabilities Account Group. As of September 30, 2000, the amount of defeased debt outstanding but removed from the General Long-Term Liabilities Account Group amounted to $2,937,349. In accordance with the FY 2000 Appropriations Act requirements, in fiscal year 2000, the District purchased and deposited U. S. Treasury securities in escrow in order to defease portions of the Series 1993A Bonds and the Series 1999B Bonds for the purpose of reducing the amount of outstanding debt. The securities were placed in irrevocable trust to provide for all future debt service payments on these defeased bonds. **Table 15** presents a summary of the defeased portions of the bonds noted above.

Table 15 – Summary of Defeased Portion of Series 1993A and 1999B Bonds ($000s)

Prior Bonds	Maturity Date	Interest Rate	Defeased Portion of the Bonds
Series 1993A	06/01/01	5.500%	$6,780
	06/01/02	5.625%	17,900
	06/01/03	5.750%	9,630
Series 1999B	06/01/02	5.500%	410
Total			**$34,720**

COMPONENT UNITS

Water and Sewer Authority

The Water and Sewer Authority derives its funding for future capital projects from the issuance of revenue bonds, District general obligation bonds, notes payable to the federal government and various other non-debt sources of financing. The public utility revenue bonds and notes payable to the federal government for the Washington Aqueduct are considered senior debt. Notes payable to the federal government for the Washington Aqueduct are specifically secured by user charges assessed on retail customers. During the year ended September 30, 2000, the highest rate on these notes was 7.19% and the lowest rate was 5.88%. Debt outstanding at September 30, 2000 totaling $399,908 included net unamortized premiums of $6,531 and a remaining principal balance of $393,377.

NOTE 7. LONG TERM LIABILITIES

A summary of debt service requirements to maturity for principal and interest is shown in **Table 16**.

Table 16 - Water and Sewer Authority Debt Service Requirements to Maturity ($000s)

Year Ending September 30	Principal	Interest	Total
2001	$ 17,691	20,982	38,673
2002	12,810	20,465	33,275
2003	13,943	19,783	33,726
2004	14,726	19,019	33,745
2005	15,552	18,285	33,837
2006 - 2010	58,791	64,753	123,544
2011 - 2015	62,625	64,042	126,667
Thereafter	197,239	73,876	271,115
Subtotal	393,377	301,205	694,582
Unamortized Bond Premium	6,531	-	6,531
Total	**$ 399,908**	**301,205**	**701,113**

Washington Convention Center

On September 29, 1998, the Washington Convention Center issued $524 million in senior lien dedicated tax revenue serial and term bonds at various rates and maturities.

The bond proceeds are used to construct and equip the new convention center. The 1998 bonds are special obligations of the Convention Center. The 1998 Bonds are payable solely from dedicated tax receipts and pledged funds established under the Trust Agreement.

The WCCA Act authorized the pledge of the dedicated taxes to secure the repayment of the 1998 bonds. Pursuant to the WCCA Act, the District has also pledged not to limit or alter any rights vested in the Convention Center to fulfill agreements made with holders of the 1998 Bonds, or in any way impair rights and remedies of bondholders until the 1998 bonds and the interest thereon are paid in full.

A summary of debt service requirements to maturity for principal and interest is shown in **Table 17**.

Table 17 – Washington Convention Center Debt Service Requirements to Maturity ($000s)

Year Ending September 30	Principal	Interest	Total
2001	$ -	25,952	25,952
2002	-	25,952	25,952
2003	-	25,952	25,952
2004	10,225	25,952	36,177
2005	10,685	25,952	36,637
Thereafter	503,550	364,168	867,718
Total	**$ 524,460**	**493,928**	**1,018,388**

NOTE 7. LONG-TERM LIABILITIES

Housing Finance Agency

Bonds payable consists of term and serial bonds which are subject to redemption at the option of the Housing Finance Agency in accordance with the terms of the respective bond indenture and bond resolution, in whole or in part, on various dates at prescribed redemption prices. Included in certain bond issues are capital appreciation bonds. The principal amount of these bonds appreciates either annually or semi-annually, compounding on the original principal balance. These bonds are recorded in the financial statements at their current appreciated amounts.

Bonds have been issued to provide financing for the Housing Finance Agency's housing programs and are collateralized by: (a) mortgage loans made on the related developments or single-family residential mortgage loans purchased (b) substantially all revenues, mortgage payments, and recovery payments received by the agency from mortgage loans made on related developments or (c) certain accounts, generally debt service reserve funds, established pursuant to the indenture authorizing issuance of the bonds.

A summary of debt service requirements to maturity for principal and interest is shown in **Table 18.**

Table 18 - Housing Finance Agency Debt Service Requirements to Maturity ($000s)

Year Ending September 30	Principal	Interest	Total
2001	$ 140,385	41,673	182,058
2002	6,200	37,695	43,895
2003	16,765	34,992	51,757
2004	14,940	34,376	49,316
2005	4,445	33,743	38,188
Thereafter	584,572	698,512	1,283,084
Subtotal	767,307	880,991	1,648,298
Unamortized Bond Premium	3,085	-	3,085
Total	**$ 770,392**	**880,991**	**1,651,383**

B. OTHER LONG-TERM LIABILITIES

A summary of changes in other long-term liabilities is shown in **Table 19** for the General Long-Term Liabilities Account Group. treatment revenue in the year the costs are incurred.

Table 19 - Changes in Other Long-Term Liabilities ($000s)

Account	Balance October 1, 1999	Additions	Deductions	Balance September 30, 2000
General:				
Accrued disability compensation (Note 14)	$ 198,285	50,925	71,550	177,660
Accumulated annual leave	56,437	6,658	-	63,095
Other payroll liabilities	16,316	-	3,573	12,743
Accreted interest	16,099	94		16,193
Capital leases payable (Note 13)	132,189	9,144	10,166	131,167
Construction contracts payable	10		10	-
Total	**$ 419,336**	**66,821**	**85,299**	**400,858**

NOTE 8. RETIREMENT PROGRAMS

A. DEFINED BENEFIT PENSION PLANS

District full-time employees receive pension benefits either through the federally administered Civil Service Retirement System or the District's Retirement Programs and the Social Security System.

Plan Descriptions

Civil Service Retirement and Social Security Systems

The Civil Service Retirement System (5 U.S.C. 8331), a cost sharing multiple employer public employee retirement system, covers permanent full-time employees hired before October 1, 1987 (except those covered by the

District Retirement Program) and the Social Security System (42 U. S. C. 301), which covers all other employees (except those covered by the District Retirement Program.)

The Balanced Budget Act of 1997 (P. L. 105-33) mandated an increase in the District's contribution for most Civil Service covered employees from 7% to 8.51% (9.01% for law enforcement officers and firefighters.) This increase became effective for the first pay period ended on or after October 1, 1997. The contribution rate will revert to 7.5% in October 2002, and then back to 7% in January 2003. The employee contribution rate for Civil Service covered employees changed to 7.25% on January 20, 1999.

District contributions to the pension plans administered by the federal government, for the years ended September 30, 2000, 1999, and 1998 were as shown in **Table 20.**

Table 20 - Summary of District Contributions to Federally Administered Pension Plans ($000s)

Plan	Rate	Employees	2000	1999	1998
Civil Service	8.51%	9,451	$29,027	$33,245	$33,231
Social Security	7.65%	9,991	34,571	34,417	30,553
Total			**$63,598**	**$ 67,662**	**$ 63,784**
Total payroll			$1,606,136	1,492,649	1,458,251

The District has no further liability to the plans.

District Retirement Programs

The Retirement Board administers the District's Retirement Programs (D.C. Code 4-601, 11-1561, 31-120), which are single employer defined benefit pension plans, one established for police and firefighters and the other for teachers.

Each of the two plans provides retirement, death and disability benefits, and annual cost of living adjustments to plan members and beneficiaries. Each pension trust fund issues a publicly available financial report that includes financial statements and required supplementary information. These reports can be obtained from the District of Columbia Retirement Board, Executive Director, 1400 L Street, N. W., Suite 300, Washington, D. C. 20005.

Funding Policy

The Retirement Board establishes, for each pension trust fund, the contribution requirements of plan members and the District government. The Retirement Board, when deemed necessary, may amend these requirements. A summary of the actuarial assumptions is shown in **Table 21.**

Fund members contribute by salary deductions on the basis of a normal rate of contributions, which is assigned by the Fund at membership. Members contribute 7% (or 8% for teachers hired on or after November 16, 1996) of annual pay minus any pay received for summer school.

NOTE 8. RETIREMENT PROGRAMS

Fund members may also contribute up to 10% of annual pay toward an annuity in addition to any vested pension.

The District is required to contribute the remaining amounts necessary to finance the coverage of its employees through periodic contributions at actuarially determined amounts in accordance with the provisions of the Replacement Act. The District contributions for fiscal year 2000, 1999 and 1998 were equal to the Fund's independent actuary's recommendation.

Pursuant to D.C. Code, Chapter 12, Title 31, contribution requirements of the Fund members' and the District are established and may be amended by the City Council. Administrative costs are financed through investment earnings.

Under P. L. 105-33, the federal government makes annual contributions to the Police and Firefighters' Plan and to the Teachers' plan on behalf of District employees and retirees. These on-behalf payments totaled $181,700 for the year ended September 30, 2000 and have been reported as intergovernmental revenue. Related expenditures of $38,423 and $143,277 have been reported in the public education system and public safety and justice functions.

Table 21 - Actuarial Assumptions

	Police and Fire	Teachers
Contribution rates Plan members	7% - 8%	7% - 8%
Actuarial valuation date	10/01/98	10/01/98
Actuarial cost method	Aggregate	Aggregate
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	5.5% - 8.8%	5.3% - 8.8%
Inflation rate	5%	5%
Cost of living adjustments	5%	5%

* The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

Pension Cost

A summary of the pension costs for the last three years, and related employer contributions is provided in **Tables 22 and 23**.

Table 22 - Police and Fire Pension Plan

Year Ended	Annual Pension Cost (APC) (millions)	Percentage of APC Contributed	Net Pension Obligation
09/30/98	$47.7	100%	$0
09/30/99	35.1	100%	0
09/30/00	39.9	100%	0

NOTE 8. RETIREMENT PROGRAMS

Table 23- Teachers Pension Plan

Year Ended	Annual Pension Cost (APC) (millions)	Percentage of APC Contributed	Net Pension Obligation
09/30/98	$9.6	100%	$0
09/30/99	18.6	100%	0
09/30/00	10.7	100%	0

Actuarially Required Contributions

The District made its actuarially required contribution of $39.9 million to the Police and Firefighters' Plan and $10.7 million to the Teachers' Plan during the year ended September 30, 2000.

B. DEFINED CONTRIBUTION PENSION PLANS

District of Columbia

Under the provisions of D. C. Code 1-627, the District sponsors a defined contribution pension plan with a qualified trust under Internal Revenue Code section 401(a) for permanent full-time employees covered under the Social Security System. Employees do not contribute to the plan and are eligible to participate after one year of service. The District contributes 5% of base salaries for eligible employees each pay period. This contribution rate is 5.5% of base salaries for detention officers. Contributions and earnings vest fully after four years of service following a one-year waiting period. Contributions and earnings are forfeited if separation occurs before five years of credited service. These contributions are not considered assets of the District, and the District has no further liability to this plan. For the fiscal year ended September 30, 2000, District contributions to the plan were $2,349.

University Component Unit

The University sponsors a contributory pension and retirement plan administered by the Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF.) Eligible employees are those on the faculty and administrative staff of the University. The employees have the option to contribute a minimum of 5% of base salaries. The University contributes a percentage of each employee's base salary as follows: 15% for general faculty, 7% for law school faculty, and 7% for administrative staff. University contributions to the plan in fiscal year 2000 were $2,159. Generally, employees are fully vested in both their contributions and in those of the University.

C. DEFERRED COMPENSATION PLANS

Internal Revenue Code Section 403 Plan

The District sponsors an annuity purchase plan (D. C. Code 31-1252) with insurance companies and other issuers in accordance with IRC Section 403 for public teachers covered by the District Retirement Program. The District does not contribute to this plan and has no liability to the plan. Under this annuity purchase plan, eligible employees may defer up to $10,000 of their annual compensation. Employees with more than fifteen years of service may defer up to $13,000. Contributions vest immediately and are not assets of the District.

Internal Revenue Code Section 457 Plan

The District offers its employees a deferred compensation plan (D. C. Code 47-3601) created in accordance with Internal Revenue Code Section 457. Employees, other than teachers, may defer up to 25% of their annual compensation, not to exceed $8,000. Compensation deferred and income earned are taxable when paid or made available to the participant or beneficiary upon retirement, death, termination, or unforeseeable emergency. Contributions are not assets of the District, which has no further liability to the plan.

NOTE 9. FUND BALANCE AND RETAINED EARNINGS

A. RESERVATIONS OF FUND BALANCE

Reserved fund balances at September 30, 2000 were as shown in **Table 24**.

Table 24 - Schedule of FY 2000 Reserved Fund Balances ($000s)

	Government		
Reserved/Restricted For:	**General Fund**	**Capital Projects Fund**	**Trust and Agency Fund**
Early retirement of debt	$122,480		
Debt service – bond escrow	156,370	-	-
Operations	75,000	-	-
Pay As You Go Financing	48,440		
Tobacco settlement	33,638	-	-
Long-term assets	13,403	-	-
Other assets	9,773	-	-
Inventories	15,479	-	-
Encumbrances	-	318,913	-
Joint venture capital subsidies	-	73,554	
Capital project expenditures	-	65,963	-
Future benefits	-	-	2,313,137
Total Reserved/Restricted Fund Balance	$474,583	458,430	2,313,137

B. DEFICIT RETAINED EARNINGS

The Public Benefit Corporation reported deficit retained earnings totaling $167,096 at the close of fiscal year 2000. This was due to a substantial decrease in operating revenues between 1999 and 2000 of $14,891 or 11% while operating expenses, increased over the same period by $25,434 or 15%. (See Note 10)

NOTE 10. COMPONENT UNITS

The financial reporting entity includes six component units, which provide a variety of public services to District residents and businesses. Condensed financial statements of the component units as of and for the year ended September 30, 2000, are shown in **Tables 25 to 27.**

NOTE 10. COMPONENT UNITS

Table 25 – Condensed Balance Sheets ($000s)

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Current assets	$ 26,176	292,294	548,229	18,588	581,706	55,029	1,522,022
Long term assets	-	33,282	16,500	-	277,036	-	326,818
Fixed assets, net	2,000	1,268,783	318,149	8,375	2,971	69,553	1,669,831
Total assets	**$ 28,176**	**1,594,359**	**882,878**	**26,963**	**861,713**	**124,582**	**3,518,671**
Current liabilities	$ 75,456	140,232	43,133	3,289	55,092	43,285	360,487
Long-term liabilities	-	754,129	524,460	-	772,632	-	2,051,221
Total liabilities	**75,456**	**894,361**	**567,593**	**3,289**	**827,724**	**43,285**	**2,411,708**
Contributed capital	119,816	399,183	95,361	15,715	-	69,552	699,627
Retained earnings (deficit)	(167,096)	300,815	219,924	7,959	33,989	11,745	407,336
Total equity	**(47,280)**	**699,998**	**315,285**	**23,674**	**33,989**	**81,297**	**1,106,963**
Total liabilities and equity	**$ 28,176**	**1,594,359**	**882,878**	**26,963**	**861,713**	**124,582**	**3,518,671**

Table 26 – Condensed Statements of Revenues, Expenditures and Changes in Retained Earnings ($000s)

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Operating revenues	$ 69,394	227,930	10,072	7,047	25,513	19,152	359,108
Operating expenses:							
Depreciation	4,639	30,329	2,251	932	158	4,960	43,269
Other	224,762	176,396	15,380	7,034	28,449	79,622	531,643
Operating income (loss)	**(160,007)**	**21,205**	**(7,559)**	**(919)**	**(3,094)**	**(65,430)**	**(215,804)**
Nonoperating revenues, net	-	(5,872)	(3,082)	-	7,458	11,412	9,916
Transfers from primary government	96,101	-	54,524	-	-	40,491	191,116
Net income (loss)	**(63,906)**	**15,333**	**43,883**	**(919)**	**4,364**	**(13,527)**	**(14,772)**
Depreciation added back	-	4,489	-	-	-	4,960	9,449
Retained earnings (deficit) at October 1, as restated	(103,190)	280,993	176,041	8,878	29,625	20,312	412,659
Retained earnings (deficit) at September 30	**$ (167,096)**	**300,815**	**219,924**	**7,959**	**33,989**	**11,745**	**407,336**

NOTE 10. COMPONENT UNITS

Table 27 – Condensed Statements of Cash Flows ($000s)

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Operating activities	$ (95,459)	121,847	5,744	117	21,084	(54,261)	(928)
Capital and related financing activities	(490)	(158,392)	(121,867)	(1,976)	(126)	(1,241)	(284,092)
Noncapital financing activities	96,101	21,233	49,040	-	219,065	61,098	446,537
Investing activities	-	12,744	2,437	-	(52,593)	1,817	(35,595)
Increase (decrease) in cash	**152**	**(2,568)**	**(64,646)**	**(1,859)**	**187,430**	**7,413**	**125,922**
Cash and investments at October 1	-	191,216	605,333	19,826	379,717	25,286	1,221,378
Cash and investments at September 30	**$ 152**	**188,648**	**540,687**	**17,967**	**567,147**	**32,699**	**1,347,300**

Complete financial statements for each component unit can be obtained from the following locations:

Public Benefit Corporation

District of Columbia Health and Hospitals
Public Benefit Corporation
Executive Director
19th & Massachusetts Avenue, S. E.
Washington, D. C. 20003

Water and Sewer

Water and Sewer Authority
General Manager
5000 Overlook Avenue, S. W.
Washington, D. C. 20032

Convention Center

Washington Convention Center
General Manager
900 Ninth Street, N. W.
Washington, D. C. 20005

Sports Commission

Sports and Entertainment Commission
General Manager
2001 East Capitol Street, S.E.
Washington, D. C. 20003

Housing Finance

D. C. Housing Finance Agency
Executive Director
815 Florida Avenue, NW
Washington, D. C. 20001

University

University of the District of Columbia
President
Van Ness Campus
4200 Connecticut Avenue, N. W.
Washington, D. C. 20008

NOTE 10. COMPONENT UNITS

PBC Restructuring

The Public Benefit Corporation (PBC) was created in 1996 to provide comprehensive, community-centered health care to residents of the District by assuming the functions and personnel of the D. C. General Hospital and the Commission on Public Health Community Clinics. At the time, it was thought that the establishment of the PBC would reduce expenditures, promote economy, and increase the efficiency with which health care services would be provided to residents.

PBC has been faced with severe financial difficulties since its inception. Various factors have caused these difficulties, including the presence of excessive and duplicative hospital facilities, decreased admissions and lengths of stay pursuant to the presence of managed care, increasing substitution of community-based care for hospital-based services and by stringent payment policies adopted by Medicare, Medicaid, and private payers. Because of these financial difficulties, PBC has also had difficulty in maintaining its physical plant. Independent reports prepared for the District have estimated that the cost of repairing and updating the Hospital could be as much as $100 million. The expected continuation of these factors makes it unlikely that PBC can survive in its present form.

Recognizing that the District's public health system is facing a major financial crisis, the PBC, the Financial Responsibility Authority, Council and the Mayor, have worked together to determine the most feasible option for addressing the fiscal problems at PBC, while preserving the safety net for the District's uninsured population. After reviewing several options, the District decided to issue a request for proposal to identify a vendor capable of providing the healthcare services that are currently being provided to poor and uninsured District residents.

PBC Impairment Loss

In September 2000, the Public Benefit Corporation (PBC) recorded a non-cash impairment loss of $32,433 related to a write-down of the property, plant and equipment of the hospital. The write-down resulted from the PBC's inability to generate positive cash flow from operations and the expectations that this situation will continue into the foreseeable future.

The impaired assets include buildings and machinery and equipment used to provide patient care. These assets were written down to their fair value based on the salvage value of the assets. The recognition of this impairment was in accordance with the provisions of Statement of Financial Accounting Standards No. 121 – Accounting for the Impairment of Long-Lived Assets and For Long – Lived Assets to be Disposed Of.

NOTE 11. JOINT VENTURE

Washington Metropolitan Area Transit Authority

The Washington Metropolitan Area Transit Authority (WMATA) was created by Interstate Compact by and between Maryland, Virginia and the District of Columbia, pursuant to Public Law 89-774. The District's commitment or obligation to provide financial assistance to WMATA is established by annual appropriations, as approved by Congress. The District supports the Transit Authority through operating and capital grants. The District places the amounts to be provided to WMATA in an escrow account until such time when the funds are drawn down for use by WMATA. Operating grants may be in the form of operating and interest subsidies. WMATA records the District's operating grants as advanced contributions when received and as nonoperating revenues when the related expenses are incurred. WMATA recognizes the District's capital grants as additions to construction in progress and contributed capital when the grant resources are expended for capital acquisitions.

A summary of the grants provided to WMATA during the year ended September 30, 2000 is shown in **Table 28.**

Table 28 - Summary of Grants Provided to WMATA ($000s)

Account	2000
Operating grants	125,200
Debt service grants	10,331
Capital grants	8,000
Total	$143,531

NOTE 11. JOINT VENTURE

The WMATA issues separate audited financial statements that can be requested from the Washington Metropolitan Area Transit Authority, General Manager, 600 5th Street, NW, Washington, D. C. 20001.

NOTE 12. TRANSACTIONS WITH THE FEDERAL GOVERNMENT

A. FEDERAL CONTRIBUTION

In accordance with the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33), the annual federal payment in lieu of taxes was repealed and replaced with a Federal contribution to reflect restrictions and unusual costs imposed on the District by the Federal government. Federal contributions to the General Fund for the year ended September 30, 2000 totaled $435,381 .

B. OPERATING GRANTS

The District participates in a number of federal financial assistance programs, which are funded through formula and project grants, direct payments for specified and unrestricted use, food stamps and other pass-through grants and direct and guaranteed loans.

A summary of federal operating grant expenditures (by function) for the year ended September 30, 2000 is shown in **Table 29.**

Table 29 – Federal Grant Expenditures by Function ($000s)

Function		2000
Governmental direction and support	$	41,960
Economic development and regulation		82,134
Public safety and justice		21,192
Public education system		159,740
Human support services		825,575
Receiverships		122,844
Total general fund		**1,253,445**
Housing finance		29,716
University		10,045
Total reporting entity	**$**	**1,293,206**

C. CAPITAL GRANTS

The federal government also provides capital grants, which are used for the purchase or construction of fixed assets. Capital grants, except for those associated with water and sewer facilities, are recorded as intergovernmental revenue in the Capital Projects Funds.

Capital grants for water and sewer facilities are recorded as Contributed Capital in the Water and Sewer discretely presented component unit.

A summary of capital grants by type for the year ended September 30, 2000 is shown in **Table 30.**

Table 30 - Capital Grants by Type ($000s)

Function	2000
Public education system	11,313
Public works	120,911
Total capital projects fund	**$ 132,224**

NOTE 12. TRANSACTIONS WITH THE FEDERAL GOVERNMENT

D. WATER AND SEWER SERVICES

The District exercises no oversight responsibility over the Washington Aqueduct, which is owned by the Federal government and operated by the U. S. Army Corps of Engineers. Historically, the District issued long-term debt Virginia customers entered into an agreement with the federal government, which provides for the funding of the Washington Aqueduct's capital improvement program directly through borrowings. The Water and Sewer Authority is now responsible for funding only its portion of this debt, other related capital projects, and operating costs calculated as its pro rata share of water purchased. The Water and Sewer Authority records payments for capital costs related to the Washington Aqueduct as purchased capacity. Such costs, which are allocable to to finance most of the Aqueduct's capital facilities and the Water and Sewer Authority recorded this debt and related capital costs in its financial statements. In 1997, the Water and Sewer Authority and the other Northern other jurisdictions, but funded by the Water and Sewer Authority prior to April 1, 1999 are reported as due from other jurisdictions.

Capital outlays are capitalized and depreciated over 60 years by the Water and Sewer Authority. Total capital outlays including capitalized interest from the U. S. Treasury drawdowns and pay-as-you-go financing were $8,038 for the fiscal year ended September 30, 2000.

NOTE 13. LEASES

A. CAPITAL LEASES

The District leases buildings and equipment under various agreements that are accounted for as capital leases that have varying terms. Capital lease commitments for the governmental funds are reported in the General Long-Term Liabilities Account Group and the related assets (e.g., buildings and equipment) are reported in the General Fixed Assets Account Group.

Capital lease payments are classified as current expenditures in the governmental funds. Such expenditures totaled $14,314 in 2000 for governmental funds, and $1,024 for discretely presented component units.

Capital lease commitments for the discretely presented component units are reported in those units as long-term obligations, related assets and depreciation.

Master Lease

In June 1998, the District entered into a Master Lease Program. Lease payment obligations are neither debt nor general obligations of the District, but are payable from appropriations of District agencies participating in the Master Lease Program, subject to annual appropriation. Each schedule under the Master Lease Program sets forth the principal and interest components of each rental payment during the lease term. During the year, the quarterly interest rate ranged from 1% to 1.6%, with payments being made on a quarterly basis. The acquisition cost of the equipment obtained under this program must be at least $25,000 per item. The financing term for such equipment is based on the useful life of the equipment, which must be at least five years but not to exceed ten years.

Equipment procured under this program, included such items as fire apparatus (trucks) and other emergency medical services equipment (ambulances); trucks and cranes used by the Department of Public Works; vehicles used by the Metropolitan Police Department; and other heavy equipment items. The aggregate cost of the equipment acquired and financed under the Master Lease Program was $9,144 in 2000. Debt service payments totaling $4,251 were made to the financing company during the year.

Other Leasing Arrangements

In 1997, the District entered into an agreement for a third party to operate the Correctional Treatment Facility for twenty years. As part of this transaction, the District sold the facility to the third party and leased it back from the third party for twenty years. At the end of the lease, the facility will return to the District. Upon early termination of this agreement, the lease will be terminated and the District will buy out the balance of the lease payments.

B. OPERATING LEASES

Operating leases are not recorded in the balance sheet. These leases contain various renewal options, the effects of which are reflected in the minimum lease payments

NOTE 13. LEASES

only if it is considered that the option will be exercised. Certain other operating leases contain escalation clauses and contingent rentals that are not included in the calculation of the future minimum lease payments. Operating lease expenditures recorded in governmental funds were $ 75,182 in 2000.

C. SCHEDULES OF FUTURE MINIMUM LEASE COMMITMENTS

The present value of future minimum lease payments under capital leases (including the Master Lease) and minimum lease payments for all operating leases having noncancelable terms in excess of one year at September 30, 2000 is shown in **Table 31**.

Table 31 - Schedule of Future Minimum Lease Payments ($000s)

	Primary Government			Component Units		
		Operating Leases			Operating Leases	
Year Ending September 30	Capital Leases	Facilities	Equip-ment	Capital Leases	Facilities	Equip-ment
2001	$ 15,981	62,948	676	90	1,193	381
2002	15,967	64,772	487	95	1,225	215
2003	15,946	66,308	130	100	1,241	-
2004	15,457	66,314	3	100	1,240	-
2005	11,972	67,047	-	100	1,240	-
Thereafter	95,500	104,849	-	1,755	1,654	-
Minimum lease payments	**170,823**	**432,238**	**1,296**	**2,240**	**7,793**	**596**
Less - imputed interest	39,656			-		
Present value of payments	**$ 131,167**			**2,240**		

NOTE 14. COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District covers all claim settlements and judgments out of its General Fund resources and currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

B. GRANTS AND CONTRACTS

*Federally **Assisted Programs*** The District has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the District. The audits of these federally assisted programs have not been conducted for the year ended September 30, 2000 and various prior years. For certain programs, such audits have not been completed for years prior to 2000. As such, the District's compliance with applicable grant and federal requirements will be assessed and established at some future date. An accrual of $32,397 in the General Fund has been provided which estimates the probable cumulative expenditures that may be disallowed by the granting agencies based on prior experience.

C. LITIGATION

The District is named as a party in legal proceedings and

NOTE 14. COMMITMENTS AND CONTINGENCIES

investigations that occur in the normal course of governmental operations. Although the ultimate outcome of these legal proceedings and investigations is unknown, the District is vigorously defending its position in each case. All amounts in connection with lawsuits in which a loss is probable have been included in the provision for claims and judgments at September 30, 2000.

A summary of the changes in the accrued liability for claims and judgments in the General Fund is shown in **Table 32**.

Table 32 - Summary of Changes in Claims and Judgments Accrual

Component	2000	1999
Liability at October 1	**$ 129,602**	**62,050**
Incurred claims	36,500	87,233
Less - claims payments/adjustments	70,831	19,681
Liability at September 30	**$ 95,271**	**129,602**

The accrued liability is based on estimates of the payments that will be made upon judgment or resolution of the claim. No accrual has been provided for possible but not probable additional claims, which are estimated to be approximately $410,000.

D. DISABILITY COMPENSATION

The District, through the Department of Employment Services, administers a disability compensation program under Title XXIII of the District of Columbia Comprehensive Merit Personnel Act of 1978 (CMPA). This program, which covers all District employees hired under the authority of CMPA, provides compensation for lost wages, medical expenses, and other limited rehabilitation expenses to eligible employees and/or their dependents, where a work-related injury or illness results in disability or death. The benefits are funded on a pay-as-you-go basis. The present value at 6.3% of projected disability compensation is accrued in the General Long-Term Liabilities Account Group.

A summary of changes in this accrual is shown in Table 33.

E. RATE SWAP AGREEMENTS

The District has entered into rate swap agreements for two variable rate bond issues (1991B and 1992A), of which $105,100 and $139,400 are outstanding at September 30, 2000, respectively. The agreements are for the term of the related outstanding bonds. Based on the rate swap agreements, the District owes interest to the counterparties to the swap calculated at a fixed rate of 5.80% and 6.02%. In return, the counterparties owe the District interest based on a variable rate. Only the net difference in interest payments is actually exchanged between the counterparties. The District continues to pay interest to the bondholders at the variable rate as provided by the bonds, and the net interest payment under the swap agreements adjusts the net interest to an approximate fixed rate. The District will be exposed to variable rates on the bonds if the counterparty defaults or if a swap agreement is terminated. Terminating a swap agreement may result in the District making or receiving a termination payment related to market rates at that time.

Table 33 – Summary of Changes in Disability Compensation Accrual

Component	2000	1999
Liability at October 1	**$ 198,285**	**294,599**
Claims incurred	50,925	62,104
Less - benefit payments	26,840	30,043
Adjustments to insured events of prior years	(44,710)	(128,375)
Liability at September 30	**$ 177,660**	**198,285**

F. DEBT SERVICE DEPOSIT AGREEMENTS

The District entered into debt service deposit agreements effective through 2014 that exchanged future cash flows of certain special tax fund escrow accounts for a fixed amount received by the District upon entering into the agreements, thus increasing the predictability of cash flows from the earnings on escrow account investments. Upon early termination of an agreement and depending upon the then current interest rates, a termination amount may be owed by the District.

G. TOBACCO SETTLEMENT TRUST

The District is a participant in the Master Settlement Agreement (MSA) between various states' attorneys general and tobacco manufacturers. The MSA requires the tobacco companies to pay amounts into a litigation trust to then be distributed to the various states. For the year ended September 30, 2000, the District received $16 million from the litigation trust. The MSA estimates that the District will receive approximately $1.25 billion through 2025 from the litigation trust.

NOTE 15. SUBSEQUENT EVENTS

A. SALE OF BUILDING

On October 4, 2000, the District entered into an agreement of sale and purchase to sell the building currently housing the Department of Employment Services. The building is located at 500 C Street, N. W., Washington, D.C. and is commonly known as the District of Columbia Employment Security Building. In consideration of the premises and subject to the terms of the agreement, the purchaser is to pay an amount equal to $49,250 and additional consideration as follows:

- An amount equal to $25,000 to be contributed to the Housing Production Trust Fund administered by the Department of Housing and Community Development pursuant to the Housing Production Trust Fund Act of 1998.

- An amount equal to $25,750 to be first applied to pay for certain costs of relocation and temporary office space for DOES and the residual to be directed to the District of Columbia Deputy Mayor's Office for Planning and Economic Development to develop and fund a neighborhood commercial revitalization program.

The U. S. Department of Labor owns sixty-seven percent (67%) of the building, while the District owns 33%. Consequently, the proceeds from the sale of the building are to be shared based on the percentage of ownership.

B. CONTROL PERIOD TERMINATION

When Congress passed PL 104-8 creating the Authority in 1995, in response to the District's then ongoing financial and operational problems, it defined the initial control period to commence on the effective date of the Authority Act and to terminate only upon specific statutory findings of the Authority, after consultation with the Inspector General, that (i) the District has access to both short-term and long-term markets at reasonable interest rates to meet its borrowing needs; (ii) all of the Authority's borrowings and all U. S. Treasury advances have been repaid; and (iii) for each of four consecutive fiscal years (occurring after the date of the enactment of the Authority Act or commencement of a control period) the expenditures of the District did not exceed its revenues, as determined in accordance with GAAP.

Under the Authority Act, the Authority is to suspend its activities 12 months after the Authority certifies that all borrowings and all U. S. Treasury advances have been repaid. The Authority made this certification on September 20, 2000, along with the required certification that the District has adequate access to both the short-term and long-term credit markets at reasonable interest rates to meet its borrowing needs.

For fiscal years 1997, 1998 and 1999, the District's revenues exceeded expenditures, resulting in a surplus for each of these years. For fiscal year 2000, the Authority could certify the termination of the initial control period

upon receipt of the District's audited financial statements for fiscal year 2000, verifying that the District achieved a surplus in that year.

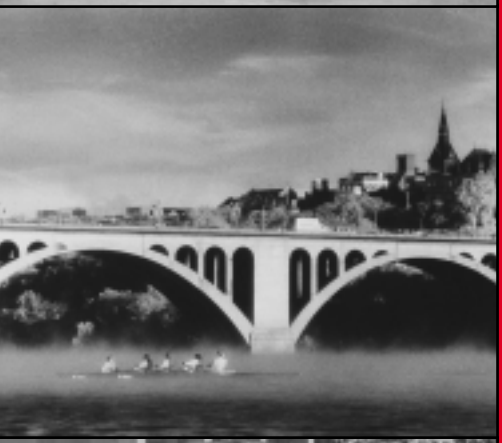
Upon termination of a control period, the Authority will continue to be required to review and analyze the budgets of the District and to issue reports to the Congress thereon, to monitor the financial status of the District, and to carry out the activities of the Authority with respect to all District legislation and reprogrammings, and any bonds, notes or other debt obligations the District may have issued until the activities of the Authority are suspended at the end of the control year, September 30, 2001.

C. ISSUANCE OF REVENUE BONDS BY COMPONENT UNIT

The Housing Finance Agency issued Multi-Family Housing Mortgage Revenue Bonds as shown in **Table 34.**

Table 34 – Housing Finance Agency Mortgage Revenue Bonds ($000s)

Bond	Amount
Series 2000 Chesapeake /Hartford	$50,350
Series 2000 Carver Terrace	4,611
Series 2000 Communities Group/Regency Development	8,825
Total	**$63,786**



Combining & Individual Fund Statements & Schedules

For a fund type that has more than one fund, combining statements for all funds of that type are presented in columnar format.
For a fund type that has only one fund of a given type, individual fund statements are presented with prior year comparisons.

Schedules are presented where greater detail for information reported in the statements is deemed useful.

Government of the District of Columbia

Office of the Chief Financial Officer

Credits left side, top to bottom:
Detail of "Lanier St. Fire Crew", by Martha Tabor, ©1981
Detail of "Rowers at Key Bridge", by Colin Winterbottom, ©1996
Photo provided by Lateef Mangum, ©2000*
Detail of "U Street Sound", by Walter Kravitz, ©1997
Detail of "Candlelight Vigil at the Reflecting Pool", by Colin Winterbottom, ©1996
Credit right side:
Detail of "Biker's Break Dupont", by Colin Winterbottom, ©1996

Originals owned by the Art in Public Places Program of the D.C. Commission on the Arts and Humanities.
***Owned by Lateef Mangum, Mayor's Office of Communications.**

GENERAL FUND

The General Fund is used to account for all financial resources that are not required to be accounted for in another fund. All fixed assets of the primary government except those related to specific proprietary funds are accounted for through the General Fixed Assets Account Group. All long-term liabilities of the primary government except those related to specific proprietary funds are accounted for through the General Long-Term Liabilities Account Group

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Exhibit A-1

GENERAL FUND

BALANCE SHEET
September 30, 2000
(With Comparative Totals at September 30, 1999)
($000s)

	2000	1999
ASSETS		
Current Assets:		
Cash and investments:		
Restricted	$ 205,712	201,863
Unrestricted	537,657	278,164
Receivables (net of allowances for uncollectibles):		
Taxes	194,219	224,028
Accounts	70,718	164,602
Intergovernmental	479,384	348,501
Due from component unit	22,784	44,236
Interfund	62,451	195,395
Inventories	15,479	16,304
Other current assets	9,773	6,122
Total current assets	1,598,177	1,479,215
Long Term Assets:		
Receivables (net of allowances for uncollectibles):		
Loans	13,403	19,369
Total assets	**1,611,580**	**1,498,584**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Payables:		
Accounts	339,800	403,599
Compensation:		
Salaries and wages	117,539	118,118
Employee benefits	6,394	4,480
Payroll taxes	5,991	4,012
Annual leave	20,320	20,515
Other deductions	2,607	14,253
Due to component units	25,484	43,360
Interfund	4,509	590
Accrued liabilities:		
Claims and judgments	95,271	129,602
Grant disallowances	32,397	50,094
Interest	49,343	43,271
Medicaid	182,933	143,755
Deferred revenue:		
Property taxes	102,287	137,088
Intergovernmental grants	27,886	49,218
Other deferrals	113,611	90,995
Other current liabilities	20,271	21,424
Total liabilities	**1,146,643**	**1,274,374**
Fund Balance:		
Reserved	474,583	235,387
Unreserved	(9,646)	(11,177)
Total fund balance	**464,937**	**224,210**
Total liabilities and fund balance	**$ 1,611,580**	**1,498,584**

Exhibit A-2

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended September 30, 2000
(With Comparative Totals for Year Ended September 30, 1999)
($000s)

	2000	1999
Revenues:		
Taxes	$ 3,127,849	2,892,562
Licenses and permits	44,446	48,247
Fines and forfeits	54,865	47,794
Charges for services:		
Public	164,392	89,035
Intergovernmental	3,258	186,191
Interfund	6,788	1,454
Miscellaneous:		
Public	182,585	129,632
Investment income	31,933	27,795
Interfund	-	14,163
Intergovernmental:		
Federal contributions	435,381	436,368
Operating grants	1,253,445	1,184,768
Total revenues	5,304,942	5,058,009
Expenditures:		
Current:		
Governmental direction and support	247,664	329,788
Economic development and regulation	180,443	161,824
Public safety and justice	924,843	941,497
Public education system	899,763	834,210
Human support services	1,552,495	1,366,466
Public works	135,067	132,730
Receiverships	366,961	397,435
Employee benefits addition	13,968	102,097
Joint venture subsidy	135,531	131,604
Debt service:		
Principal	220,054	226,534
Interest	172,326	191,903
Fiscal charges	2,732	6,597
Total expenditures	4,851,847	4,822,685
EXCESS OF REVENUES OVER EXPENDITURES	453,095	235,324
Other Financing Sources (Uses):		
Proceeds of:		
General obligation bonds	2,689	708,612
Payment to refunded bond escrow agent:		
Refunded debt	-	(658,192)
Other charges	-	(16,121)
Uncollectible prior years' advances to component unit	(41,415)	-
Transfers:		
Interfund transfers in	69,450	64,225
Interfund transfers out	(51,976)	(51,226)
Transfers to component units	(191,116)	(148,128)
Total other financing sources (uses)	(212,368)	(100,830)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	**240,727**	**134,494**
Fund Balance at October 1 (restated)	**224,210**	**89,716**
Fund Balance at September 30	$ **464,937**	**224,210**

Exhibit A-3

GENERAL FUND

SCHEDULE OF EXPENDITURES AND NET FINANCING (SOURCES) USES
FUNCTION AND OBJECT --GAAP BASIS

Year Ended September 30, 2000
(With Comparative Totals for Year Ended September 30, 1999)
($000s)

Function and Subfunction	Personal Services	Contractual Services	Supplies	Occupancy	Miscel-laneous	Totals 2000	Totals 1999
Governmental Direction and Support:							
Legislative	$ 8,972	1,827	116	484	3,840	15,239	9,886
Executive	14,261	3,862	120	1,330	11,187	30,760	21,330
Finance	51,242	16,464	1,017	16,474	17,903	103,100	119,500
Personnel	10,319	10,413	118	1,332	390	22,572	24,346
Administrative	18,783	39,182	152	3,192	10,177	71,486	151,036
Elections	3,234	827	63	248	135	4,507	3,690
Total	106,811	72,575	1,586	23,060	43,632	247,664	329,788
Economic Development and Regulation:							
Community development	12,634	12,436	236	2,334	41,614	69,254	65,076
Public housing	-	-	-	-	-	-	2,041
Economic regulation	29,961	5,342	650	7,242	2,836	46,031	41,736
Employment services	28,322	11,864	572	2,703	21,697	65,158	52,971
Total	70,917	29,642	1,458	12,279	66,147	180,443	161,824
Public Safety and Justice:							
Police	400,472	24,082	5,118	9,233	(8,797)	430,108	432,894
Fire	155,193	3,327	2,412	3,052	6,205	170,189	165,409
Corrections	115,368	109,585	7,060	10,148	6,991	249,152	240,305
Protection	3,396	862	175	737	1,604	6,774	4,220
Law	26,222	83,906	159	492	(42,392)	68,387	98,468
Judicial	183	40	5	3	2	233	201
Total	700,834	221,802	14,929	23,665	(36,387)	924,843	941,497
Public Education System:							
Schools	551,157	96,460	30,840	28,164	165,504	872,125	808,449
Culture	18,960	1,708	381	2,202	4,387	27,638	25,761
Total	570,117	98,168	31,221	30,366	169,891	899,763	834,210
Human Support Services:							
Health and welfare	128,696	213,590	81,327	31,362	1,035,392	1,490,367	1,384,859
Human relations	2,013	6,083	41	158	12,412	20,707	18,644
Employment benefits	12,468	-	-	-	1,303	13,771	(60,044)
Recreation	20,904	2,397	702	3,145	502	27,650	23,007
Total	164,081	222,070	82,070	34,665	1,049,609	1,552,495	1,366,466
Public Works	65,177	41,178	3,123	14,639	10,950	135,067	132,730
Receiverships:							
Child and family services	24,516	27,385	209	3,934	75,647	131,691	158,468
Commission on mental health services	118,717	64,910	10,429	10,795	17,119	221,970	226,361
Medical receiver	332	-	-	-	12,968	13,300	12,606
Total	143,565	92,295	10,638	14,729	105,734	366,961	397,435
Employee Benefits Addition (Deduction):							
Governmental direction and support	141	-	-	-	-	141	(1,337)
Economic development and regulation	142	-	-	-	-	142	238
Public safety and justice	(4,891)	-	-	-	-	(4,891)	6,435
Public education system	(2,252)	-	-	-	-	(2,252)	1,323
Human support services	20,527	-	-	-	-	20,527	101,908
Public works	128	-	-	-	-	128	299
Receiverships	173	-	-	-	-	173	(6,769)
Total	13,968	-	-	-	-	13,968	102,097
Joint Venture Subsidy	-	-	-	-	135,531	135,531	131,604
Debt Service	-	-	-	-	395,112	395,112	425,034
Net Financing Uses	-	-	-	-	212,368	212,368	100,830
Total expenditures and net uses	$ 1,835,470	777,730	145,025	153,403	2,152,587	5,064,215	4,923,515

Exhibit A-4

GENERAL FUND

SCHEDULE OF LOCAL SOURCE REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)

Year Ended September 30, 2000
($000s)

Source	Budget		Actual	Variance - (Unfavorable)
	Original	Revised		
Taxes:				
Property:				
Real	$ 606,700	572,900	610,896	37,996
Personal	75,600	70,150	70,133	(17)
Public space rental	11,400	9,200	11,752	2,552
Total	693,700	652,250	692,781	40,531
Sales and use:				
General	580,800	575,000	640,212	65,212
Alcoholic beverages	4,900	4,800	4,779	(21)
Cigarette	16,300	16,765	17,177	412
Motor vehicles	18,000	30,000	36,693	6,693
Total	620,000	626,565	698,861	72,296
Income and franchise:				
Individual income	954,600	1,018,800	1,077,346	58,546
Corporation franchise	180,800	205,000	190,594	(14,406)
Unincorporated business	49,700	56,055	70,624	14,569
Total	1,185,100	1,279,855	1,338,564	58,709
Gross receipts:				
Public utility	135,200	130,000	132,849	2,849
Toll telecommunication	60,200	53,222	48,280	(4,942)
Insurance companies	31,000	31,500	30,882	(618)
Total	226,400	214,722	212,011	(2,711)
Other:				
Deed recordation	48,600	53,784	60,418	6,634
Deed transfer	38,400	35,909	44,660	8,751
Inheritance and estate	31,100	33,168	35,992	2,824
Economic interest	4,000	500	540	40
Total	122,100	123,361	141,610	18,249
Total taxes	2,847,300	2,896,753	3,083,827	187,074
Licenses and Permits:				
Business licenses	29,457	24,903	24,969	66
Nonbusiness permits	19,041	16,091	18,785	2,694
Total	48,498	40,994	43,754	2,760
Fines and Forfeits	56,771	53,276	53,216	(60)
Charges for Services:				
Other	34,173	37,802	37,257	(545)
Total	34,173	37,802	37,257	(545)
Miscellaneous:				
Interest	16,951	41,300	12,779	(28,521)
Other	76,607	43,035	89,379	46,344
Tobacco settlement	-	16,050	16,049	(1)
Total	93,558	100,385	118,207	17,822
Tax Parity Act	(58,950)	-	-	-
Total local source revenues	$ **3,021,350**	**3,129,210**	**3,336,261**	**207,051**

Exhibit A-5

GENERAL FUND

SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES BY SOURCE OF FUNDS

Year Ended September 30, 2000

($000s)

	Local Source				Federal Grants				Private and Other				Total			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Revenues and Sources:																
Taxes																
Property	$ 693,700	652,250	692,781	40,531	-	-	-	-	-	-	-	-	693,700	652,250	692,781	40,531
Sales and uses	620,000	626,565	698,861	72,296	-	-	-	-	-	-	-	-	620,000	626,565	698,861	72,296
Income and franchise	1,185,100	1,279,855	1,338,564	58,709	-	-	-	-	-	-	-	-	1,185,100	1,279,855	1,338,564	58,709
Gross receipts and other taxes	348,500	338,083	353,621	15,538	-	-	-	-	-	-	-	-	348,500	338,083	353,621	15,538
Total taxes	2,847,300	2,896,753	3,083,827	187,074	-	-	-	-	-	-	-	-	2,847,300	2,896,753	3,083,827	187,074
Licenses and permits	48,498	40,994	43,754	2,760	-	-	-	-	-	-	-	-	48,498	40,994	43,754	2,760
Fines and forfeits	56,771	53,276	53,216	(60)	-	-	-	-	-	-	-	-	56,771	53,276	53,216	(60)
Charges for services	34,173	37,802	37,257	(545)	-	-	-	-	-	-	-	-	34,173	37,802	37,257	(545)
Miscellaneous	93,558	100,385	118,207	17,822	-	-	-	-	-	-	-	-	93,558	100,385	118,207	17,822
Private & Other	-	-	-	-	-	-	-	-	318,574	348,062	308,607	(39,455)	318,574	348,062	308,607	(39,455)
Federal contributions	23,750	23,750	23,576	(174)	-	-	-	-	-	-	-	-	23,750	23,750	23,576	(174)
Operating grants	-	-	-	-	1,231,408	1,533,381	1,256,673	(276,708)	-	-	-	-	1,231,408	1,533,381	1,256,673	(276,708)
General obligation bonds	-	-	2,689	2,689	-	-	-	-	-	-	-	-	-	-	2,689	2,689
Transfer of interest income	-	-	-	-	-	-	-	-	23,000	23,000	1,745	(21,255)	23,000	23,000	1,745	(21,255)
Transfer in from Lottery Board	69,000	69,000	69,450	450	-	-	-	-	-	-	-	-	69,000	69,000	69,450	450
Tax Parity Act	(58,950)	-	-	-	-	-	-	-	-	-	-	-	(58,950)	-	-	-
Total Revenues and Sources	3,114,100	3,221,960	3,431,976	210,016	1,231,408	1,533,381	1,256,673	(276,708)	341,574	371,062	310,352	(60,710)	4,687,082	5,126,403	4,999,001	(127,402)
Expenditures and Uses:																
Governmental direction and support	137,134	164,777	161,109	3,668	11,670	57,329	41,960	15,369	18,552	26,823	14,231	12,592	167,356	248,929	217,300	31,629
Economic development and regulation	52,911	52,341	49,338	3,003	84,751	146,149	82,323	63,826	52,673	62,026	42,606	19,420	190,335	260,516	174,267	86,249
Public safety and justice	565,511	581,171	618,970	(37,799)	29,012	29,719	21,192	8,527	184,247	187,752	185,901	1,851	778,770	798,642	826,063	(27,421)
Public education system	721,847	742,876	728,125	14,751	120,951	184,062	160,536	23,526	24,613	31,341	12,435	18,906	867,411	958,279	901,096	57,183
Human support services	635,373	637,569	732,999	(95,430)	875,814	979,412	842,355	137,057	15,174	21,475	15,563	5,912	1,526,361	1,638,456	1,590,917	47,539
Public works	258,341	258,959	257,932	1,027	3,099	5,597	2,159	3,438	9,955	17,674	10,944	6,730	271,395	282,230	271,035	11,195
Receiverships	217,606	217,735	217,313	422	106,111	131,113	122,844	8,269	18,360	20,323	18,596	1,727	342,077	369,171	358,753	10,418
Work force investments	8,500	353	-	353	-	-	-	-	-	-	-	-	8,500	353	-	353
Buyouts and other management reforms	-	-	-	-	-	-	-	-	18,000	3,648	-	3,648	18,000	3,648	-	3,648
Reserve	150,000	123,440	-	123,440	-	-	-	-	-	-	-	-	150,000	123,440	-	123,440
Financial Responsibility Authority	3,140	3,140	3,140	-	-	-	-	-	-	-	-	-	3,140	3,140	3,140	-
Repay bonds and interest	328,417	326,386	315,656	10,730	-	-	-	-	-	-	-	-	328,417	326,386	315,656	10,730
Repay deficit bonds and interest	38,286	38,286	38,343	(57)	-	-	-	-	-	-	-	-	38,286	38,286	38,343	(57)
Interest on short term borrowing	9,000	9,000	3,002	5,998	-	-	-	-	-	-	-	-	9,000	9,000	3,002	5,998
Certificates of participation	7,950	7,950	7,929	21	-	-	-	-	-	-	-	-	7,950	7,950	7,929	21
Optical and Dental Insurance	1,295	1,295	-	1,295	-	-	-	-	-	-	-	-	1,295	1,295	-	1,295
Productivity bank	20,000	20,000	-	20,000	-	-	-	-	-	-	-	-	20,000	20,000	-	20,000
Management supervisory service	-	174	-	174	-	-	-	-	-	-	-	-	-	174	-	174
Total Expenditures and Net Uses	3,155,311	3,185,452	3,133,856	51,596	1,231,408	1,533,381	1,273,369	260,012	341,574	371,062	300,276	70,786	4,728,293	5,089,895	4,707,501	382,394
Subtotal	(41,211)	36,508	298,120	261,612	-	-	(16,696)	(16,696)	-	-	10,076	10,076	(41,211)	36,508	291,500	254,992
PL 106-113 General supply schedule savings	14,457	14,457	-	(14,457)	-	-	-	-	-	-	-	-	14,457	14,457	-	(14,457)
PL 106-113 Management reform savings	7,000	7,000	-	(7,000)	-	-	-	-	-	-	-	-	7,000	7,000	-	(7,000)
PL 106-113 Productivity savings	20,000	20,000	-	(20,000)	-	-	-	-	-	-	-	-	20,000	20,000	-	(20,000)
Subtotal	41,457	41,457	-	(41,457)	-	-	-	-	-	-	-	-	41,457	41,457	-	(41,457)
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	**$ 246**	**77,965**	**298,120**	**220,155**	**-**	**-**	**(16,696)**	**(16,696)**	**-**	**-**	**10,076**	**10,076**	**246**	**77,965**	**291,500**	**213,535**

Exhibit A-6

GENERAL FUND

SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES

Year Ended September 30, 2000
($000s)

	Original Budget	Revised Budget	Actual	Original Budget to Actual
Revenues and Sources:				
Taxes:				
Property	$ 693,700	652,250	692,781	(919)
Sales and use	620,000	626,565	698,861	78,861
Income and franchise	1,185,100	1,279,855	1,338,564	153,464
Other taxes	348,500	338,083	353,621	5,121
Total taxes	2,847,300	2,896,753	3,083,827	236,527
Licenses and permits	48,498	40,994	43,754	(4,744)
Fines and forfeits	56,771	53,276	53,216	(3,555)
Charges for services	34,173	37,802	37,257	3,084
Miscellaneous	93,558	100,385	118,207	24,649
Private and other	318,574	348,062	308,607	(9,967)
Federal contributions	23,750	23,750	23,576	(174)
Operating grants	1,231,408	1,533,381	1,256,673	25,265
General obligation bonds	-	-	2,689	2,689
Transfer of interest income	23,000	23,000	1,745	(21,255)
Transfer in from Lottery Board	69,000	69,000	69,450	450
Tax Parity Act	(58,950)	-	-	58,950
Total Revenues and Sources	4,687,082	5,126,403	4,999,001	311,919
Expenditures and Uses:				
Governmental direction and support	167,356	248,929	217,300	(49,944)
Economic development and regulation	190,335	260,516	174,267	16,068
Public safety and justice	778,770	798,642	826,063	(47,293)
Public education system	867,411	958,279	901,096	(33,685)
Human support services	1,526,361	1,638,456	1,590,917	(64,556)
Public works	271,395	282,230	271,035	360
Receiverships	342,077	369,171	358,753	(16,676)
Work force investments	8,500	353	-	8,500
Buyouts and other management reforms	18,000	3,648	-	18,000
Reserve	150,000	123,440	-	150,000
Financial Responsibility Authority	3,140	3,140	3,140	-
Repay bonds and interest	328,417	326,386	315,656	12,761
Repay deficit bonds and interest	38,286	38,286	38,343	(57)
Interest on short term borrowing	9,000	9,000	3,002	5,998
Certificates of participation	7,950	7,950	7,929	21
Optical and dental insurance	1,295	1,295	-	1,295
Productivity bank	20,000	20,000	-	20,000
Management supervisory service	-	174	-	-
Total Expenditures and Uses	4,728,293	5,089,895	4,707,501	20,792
Subtotal	(41,211)	36,508	291,500	332,711
PL 106-113 General supply schedule savings	14,457	14,457	-	(14,457)
PL 106-113 Management reform savings	7,000	7,000	-	(7,000)
PL 106-113 Productivity savings	20,000	20,000	-	(20,000)
Subtotal	41,457	41,457	-	(41,457)
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	**$ 246**	**77,965**	**291,500**	**291,254**

SPECIAL REVENUE FUND

The **Financial Responsibility Authority Fund** is used to account for the operating activities of the District of Columbia Financial Responsibility and Management Assistance Authority, a federally appointed board created to provide temporary fiscal assistance to alleviate the District's fiscal distress. The fund is financed primarily from interest on cash and investments held in the Financial Responsibility Authority Agency fund. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus. Fixed assets are accounted for through the General Fixed Assets Account Group. Long-term liabilities are accounted for through the General Long-Term Liabilities Account Group.

Exhibit B-1

FINANCIAL RESPONSIBILITY AUTHORITY SPECIAL REVENUE FUND

BALANCE SHEET

September 30, 2000
(With Comparative Totals at September 30, 1999)
($000s)

	2000	1999
ASSETS		
Current Assets:		
Cash and investments	$ 955	3,959
Receivables (net of allowances for uncollectibles):		
Interfund	167	546
Other	50	6
Accrued interest	1,323	-
Property held for resale	3,151	3,100
Total assets	**5,646**	**7,611**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Payables:		
Accounts	1,230	358
Compensation	238	282
Due to other funds	-	5,446
Deferred revenue	-	555
Due to interest for advance to primary government	3,151	-
Total liabilities	**4,619**	**6,641**
Fund Balance:		
Unreserved	1,027	970
Total fund balance	**1,027**	**970**
Total liabilities and fund balance	**$ 5,646**	**7,611**

Exhibit B-2

FINANCIAL RESPONSIBILITY AUTHORITY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended September 30, 2000
(With Comparative Totals for the Year Ended September 30, 1999)
($000s)

		2000	1999
Revenues:			
Interest	$	2,930	190
Other		6	19
Total revenues		2,936	209
Expenditures:			
Current:			
Governmental direction and support			
Personal services		2,104	3,531
Contractual services		78	304
Mission related expenditures		2,449	1,876
Occupancy		301	295
Miscellaneous		1,087	1,215
Total expenditures		6,019	7,221
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(3,083)	(7,012)
Other Financing Sources:			
Operating transfers from other funds		3,140	7,012
Total other financing sources		3,140	7,012
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		**57**	-
Fund Balances at October 1		**970**	**970**
Fund Balances at September 30	$	**1,027**	**970**

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the purchase or construction of fixed assets which are wholly or partly financed by capital grants, dedicated taxes or general long-term debt, other than those financed by the Water and Sewer Unit. The Capital Projects Funds are not used to account for the purchase of general fixed assets that are financed wholly by an individual fund or unit.

Fixed assets are capitalized in the General Fixed Assets Account Group or in the proprietary fund or component unit to which they apply. Expenditures for items that are below the minimum cost of life of a fixed asset unit are not capitalized.

Exhibit C-1

CAPITAL PROJECTS FUNDS

BALANCE SHEET

September 30, 2000

(With Comparative Totals at September 30, 1999)
($000s)

	General Capital Improvement	Highway	Totals 2000	Totals 1999
ASSETS				
Current Assets:				
Cash and cash equivalents:				
Restricted	$ 73,554	-	73,554	91,394
Unrestricted	788	77,833	78,621	6,420
Receivables (net of allowances for uncollectibles):				
Accounts	14,123	2,617	16,740	15,103
Due from federal government	30,816	-	30,816	29,124
Interfund	440,490	-	440,490	469,426
Total assets	**559,771**	**80,450**	**640,221**	**611,467**
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables:				
Accounts	136,518	90	136,608	84,001
Interfund	-	14,397	14,397	-
Deferred revenue	24,447	-	24,447	48,541
Other current liabilities	6,339	-	6,339	-
Total liabilities	**167,304**	**14,487**	**181,791**	**132,542**
Fund Balance:				
Reserved for:				
Joint venture capital subsidy	73,554	-	73,554	91,394
Encumbrances	318,913	-	318,913	333,008
Capital project expenditures	-	65,963	65,963	54,523
Total fund balances	**392,467**	**65,963**	**458,430**	**478,925**
Total liabilities and fund balances	**$ 559,771**	**80,450**	**640,221**	**611,467**

Exhibit C-2

CAPITAL PROJECTS FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended September 30, 2000

(With Comparative Totals for Year Ended September 30, 1999)

($000s)

	General Capital Improvement	Highway	Totals 2000	Totals 1999
Revenues:				
Interest	$ 4,459	3,616	8,075	7,416
Federal grants	132,224	-	132,224	164,927
Local	24,033	-	24,033	46,713
Total revenues	160,716	3,616	164,332	219,056
Expenditures:				
Capital outlay:				
General fixed assets	386,923	24,005	410,928	356,450
Joint venture capital subsidy	22,298	-	22,298	26,090
Component unit fixed assets	2,110	-	2,110	254
Other	-	-	-	371
Total expenditures	411,331	24,005	435,336	383,165
DEFICIENCY OF REVENUES UNDER EXPENDITURES	**(250,615)**	**(20,389)**	**(271,004)**	**(164,109)**
Other Financing Sources/(Uses):				
General obligation bond proceeds	186,663	-	186,663	236,876
Capital lease proceeds	9,144	-	9,144	13,839
Interfund transfers in - General Fund	20,147	31,828	51,975	44,214
Sale of fixed assets	2,727	-	2,727	11,711
Total other financing sources	218,681	31,828	250,509	306,640
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	**(31,934)**	**11,439**	**(20,495)**	**142,531**
Fund Balances at October 1 (restated)	424,401	54,524	478,925	336,394
Fund Balances at September 30	$ **392,467**	**65,963**	**458,430**	**478,925**

Exhibit C-3

SCHEDULE OF CONSTRUCTION IN PROGRESS

Year Ended September 30, 2000
($000s)

Function and Subfunction	Number of Projects	Author-izations	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
PRIMARY GOVERNMENT						
Governmental Direction and Support:						
Finance	2	$ 113,846	23,593	33,556	57,149	56,697
Technology	4	99,898	32,148	13,969	46,117	53,781
Administrative	3	178,719	3,848	8,628	12,476	166,242
Total	9	392,463	59,589	56,153	115,742	276,720
Public Safety and Justice:						
Police	2	11,253	-	1,225	1,225	10,029
Fire	1	496	-	212	212	284
Master Lease	1	10,598	1,623	(1,286)	337	10,261
Total	4	22,347	1,623	151	1,774	20,574
Public Education System:						
Public School System	6	601,538	3,098	67,203	70,301	531,237
Human Support Services:						
Mental Health	4	14,031	-	2,112	2,112	11,919
Human relations	4	57,591	-	2,317	2,317	55,273
Recreation	5	21,316	609	3,675	4,284	17,032
Total	13	92,938	609	8,104	8,713	84,224
Public Works:						
Environmental	8	23,122	91	3,645	3,736	19,386
Total	8	23,122	91	3,645	3,736	19,386
Total general	**40**	**$ 1,132,408**	**65,010**	**135,256**	**200,266**	**932,142**

ENTERPRISE FUND

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the costs (including depreciation) of providing goods or services primarily or solely to the public on a continuing basis are or could be financed or recovered primarily through user charges.

The **Lottery and Games Fund** is used to account for revenues from lotteries and daily numbers games operated by the District and from licenses to conduct bingo games and raffles, and related prizes, expenses and capital outlays. Gambling activities are administered by a Lottery and Charitable Games Control Board consisting of five members appointed by the Mayor with the consent of the Council. All moneys made available to the Lottery and Games Fund by the General Fund must be derived from non-federal revenues.

Exhibit D-1

LOTTERY AND GAMES ENTERPRISE FUND

BALANCE SHEET

September 30, 2000

(With Comparative Totals at September 30, 1999)

($000s)

		2000	1999
ASSETS			
Current Assets:			
Cash and investments:			
Restricted	$	76,878	80,637
Unrestricted		8,846	10,637
Receivables (net of allowances for uncollectibles):			
Accounts		3,951	2,958
Inventories		556	467
Other current assets		6	23
Total current assets		90,237	94,722
Fixed Assets:			
Property and equipment		3,129	3,154
Accumulated depreciation		(2,649)	(2,754)
Net fixed assets		480	400
Total assets		**90,717**	**95,122**
LIABILITIES AND EQUITY			
Current Liabilities:			
Payables:			
Accounts		1,763	1,939
Compensation		613	577
Accrued liabilities		7,730	8,572
Deferred revenue		133	151
Other current liabilities		325	18
Total current liabilities		10,564	11,257
Long Term Liabilities:			
Prize annuities payable		76,878	80,637
Total long term liabilities		76,878	80,637
Total liabilities		**87,442**	**91,894**
Equity:			
Retained earnings		3,275	3,228
Total equity		**3,275**	**3,228**
Total liabilities and equity	**$**	**90,717**	**95,122**

Exhibit D-2

LOTTERY AND GAMES ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 2000

(With Comparative Totals for Year Ended September 30, 1999)

($000s)

	2000	1999
Operating Revenues:		
Charges for services:		
Gross charges:		
Public	$ 216,134	207,091
Total operating revenues	216,134	207,091
Operating Expenses:		
Prizes	124,534	121,628
Personal services	5,159	4,829
Contractual services	16,201	16,388
Supplies	79	60
Occupancy	1,590	1,526
Depreciation	155	233
Miscellaneous	453	544
Total operating expenses	148,171	145,208
OPERATING INCOME	67,963	61,883
Nonoperating Revenues:		
Interest revenue	1,534	2,256
Miscellaneous	-	162
Total nonoperating revenues	1,534	2,418
INCOME BEFORE TRANSFERS	69,497	64,301
Operating transfer to General Fund	(69,450)	(64,225)
NET INCOME	**47**	**76**
Retained Earnings at October 1	**3,228**	**3,152**
Retained Earnings at September 30	$ **3,275**	**3,228**

Exhibit D-3

LOTTERY AND GAMES ENTERPRISE FUND

STATEMENT OF CASH FLOWS

Year Ended September 30, 2000

(With Comparative Totals for Year Ended September 30, 1999)

($000s)

	2000	1999
Operating Activities:		
Cash receipts from customers	$ 215,123	205,796
Other cash receipts	-	162
Cash payments to vendors	(18,264)	(19,502)
Cash payments to employees	(5,123)	(4,838)
Other cash payments, including prizes	(125,376)	(122,831)
Net cash provided	66,360	58,787
Capital and Related Financing Activities:		
Acquisitions of fixed assets	(235)	(106)
Net cash used	(235)	(106)
Noncapital Financing Activities:		
Interfund transfers out	(69,450)	(64,225)
Net cash used	(69,450)	(64,225)
Investing Activities:		
Receipts of interest and dividends	1,534	2,256
Payments for prize annuities	(3,759)	(12,466)
Net cash provided	(2,225)	(10,210)
DECREASE IN CASH	**(5,550)**	**(15,754)**
Cash and Investments at October 1	**91,274**	**107,028**
Cash and Investments at September 30	**85,724**	**91,274**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	67,963	61,883
Depreciation	155	233
Miscellaneous nonoperating revenues	-	162
Decrease (increase) in assets:		
Receivables	(993)	(1,315)
Inventories	(89)	(12)
Other current assets	17	(18)
Increase (decrease) in liabilities:		
Payables	(140)	(939)
Accrued liabilities	(842)	(1,203)
Deferred revenue	(18)	20
Other current liabilities	307	(24)
Net cash provided	$ 66,360	58,787

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the District in a trustee capacity. Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments or other funds.

The **Unemployment Compensation Fund** is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and federal governments and of private employers in the District. Resources are contributed by private employers at rates fixed by law and by the District and federal governments on a reimbursable basis. The fund is administered by the Office of Unemployment Compensation in the Department of Employment Services. The fund does not have a separate governing body. The administrative costs of the office are accounted for in the General Fund.

The **Pension Trust Funds** are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for police officers, fire fighters and public school teachers of the District. Resources are contributed by employees and by the District and federal governments at amounts determined by an annual actuarial study and the Retirement Reform Act. The funds are administered by a thirteen member Retirement Board. Three of these members are appointed by the Mayor and three by the Council. The other members include one retired judge, and one each active and retired police officers, fire fighters, and teachers. The administrative costs of the board are accounted for in the funds.

The **Agency Funds** are used to account for refundable deposits required of various licensees, monies held in escrow, and other assets held in custody by the District of Financial Responsibility Authority. as an agent for individuals, private organizations, other governments, or other funds.

Exhibit E-1

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

September 30, 2000
(With Comparative Totals at September 30, 1999)
($000s)

	Trust		Agency		Totals	
	Expendable Unemployment Compensation	Pension	Financial Responsibility Authority	District	2000	1999
ASSETS						
Current Assets:						
Cash and investments	$ 256,952	2,172,731	491,007	35,090	2,955,780	2,744,537
Receivables (net of allowances for uncollectibles):						
Accounts	21,314	2,256	-	2,074	25,644	17,537
Due from federal government	198	-	-	-	198	170
Interfund	414	1,018	3,100	-	4,532	8,173
Other current assets	-	-	-	41,277	41,277	17,412
Total assets	**$ 278,878**	**2,176,005**	**494,107**	**78,441**	**3,027,431**	**2,787,829**
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables:						
Accounts	$ 3,321	134,339	-	42,230	179,890	163,168
Due to component units	-	-	5,563	-	5,563	-
Interfund	-	190	488,544	-	488,734	673,394
Other current liabilities	3,896	-	-	36,211	40,107	17,530
Total liabilities	**7,217**	**134,529**	**494,107**	**78,441**	**714,294**	**854,092**
Fund Balances:						
Reserved for benefits	-	2,041,476	-	-	2,041,476	1,713,075
Reserved for unemployment compensation	271,661	-	-	-	271,661	220,662
Total fund balance	**271,661**	**2,041,476**	**-**	**-**	**2,313,137**	**1,933,737**
Total liabilities and fund balances	**$ 278,878**	**2,176,005**	**494,107**	**78,441**	**3,027,431**	**2,787,829**

Exhibit E-2

UNEMPLOYMENT COMPENSATION EXPENDABLE TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended September 30, 2000

(With Comparative Totals for Year Ended September 30, 1999)

($000s)

		2000	1999
Revenues:			
Taxes	$	108,268	90,384
Benefit contributions:			
Intergovernmental		4,588	5,388
Interfund		4,133	6,135
Miscellaneous:			
Investment income		14,906	12,412
Total revenues		131,895	114,319
Expenditures:			
Current:			
Human support services:			
Benefit payments		80,896	77,368
Total expenditures		80,896	77,368
EXCESS OF REVENUES OVER EXPENDITURES		**50,999**	**36,951**
Fund Balance at October 1		**220,662**	**183,711**
Fund Balance at September 30	$	**271,661**	**220,662**

Exhibit E-3

FINANCIAL RESPONSIBILITY AUTHORITY AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 2000
($000s)

	Fund									
	General	Management Reform	Police	Short Term Debt Proceeds	Bond Proceeds	Public Schools	99 Congressional Infrastructure	District Y2K	University	Total
Balance October 1, 1999	$ 79,995	25,418	2,553	3,243	387,727	31,228	50,662	82,681	5,865	669,372
Additions:										
OMB supplemental contribution	-	-	-	-	-	-	-	43,464	-	43,464
Long term debt	-	-	-	-	189,056	-	-	-	-	189,056
Interfund receivable	3,100	-	-	-	-	-	-	-	-	3,100
Interest income	3,955	316	327	927	16,015	1,781	2,864	3,895	324	30,404
School sale proceeds	-	-	-	-	-	-	-	-	-	-
Total additions	7,055	316	327	927	205,071	1,781	2,864	47,359	324	266,024
Deductions:										
Interfund receivable	613	-	-	-	-	-	-	-	-	613
Federal Appropriation	-	23,520	561	-	-	-	-	114,023	-	138,104
Federal payment	50,259	-	-	-	-	-	-	-	-	50,259
Due from the authority	1,733	-	-	-	-	-	-	-	-	1,733
Principal	-	-	-	-	231,664	-	-	-	-	231,664
Interest	7,843	700	-	2,266	-	357	2,700	4,400	650	18,916
Total deductions	60,448	24,220	561	2,266	231,664	357	2,700	118,423	650	441,289
Balance September 30, 2000	**$ 26,602**	**1,514**	**2,319**	**1,904**	**361,134**	**32,652**	**50,826**	**11,617**	**5,539**	494,107

Exhibit E-4

DISTRICT AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 2000
($000s)

	Balance October 1, 1999	Additions	Deductions	Balance September 30, 2000
ASSETS				
Current Assets:				
Cash and investments	$ 40,489	1,117,197	1,122,596	35,090
Accounts receivable	1,335	1,134	395	2,074
Other current assets	17,412	1,132,137	1,108,272	41,277
Total assets	**$ 59,236**	**2,250,468**	**2,231,263**	**78,441**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 46,100	23,963	27,833	42,230
Other current liabilities	13,136	79,793	56,718	36,211
Total liabilities	$ **59,236**	**103,756**	**84,551**	**78,441**

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DISCRETELY PRESENTED COMPONENT UNITS

Component units are legally separate organizations for which the elected officials of the District are financially accountable. Accountability exists because the governing bodies of all the component units are appointed by the Mayor with the consent of the Council. In addition, the District has an obligation to provide financial support to the Convention Center and Sports Commission, and certain tax revenues are dedicated to each of these organizations. All the component units use proprietary fund type accounting. The financial data of the component units are reported separately from the financial data of the primary government.

The **Public Benefit Corporation** is used to account for the costs of providing comprehensive community-centered health care for the benefit of the residents of the District of Columbia. The Corporation assumed the health care functions previously provided by the D.C. General Hospital and the community clinics of the Commission of Public Health of the Department of Human Services. The Corporation is governed by a Board of Directors consisting of twelve members; six members appointed by the Mayor, five members appointed by the Council, and the Chief Financial Officer of the District.

The **Water and Sewer Unit** is used to account for the provision of water and sewer services to residents of the District, suburban Maryland, and northern Virginia. All activities necessary to provide such services are accounted for in this unit, including administration, operations, maintenance, debt service, billing and collecting. Depreciation on fixed assets acquired through capital grants is closed to Contributed Capital. Eleven directors govern the fund, six appointed by the Mayor with the consent of the council and five appointed by the Mayor upon recommendation from the other participating jurisdictions.

The **Convention Center Unit** is used to account for maintaining and operating the Washington Convention Center for local public shows and exhibitions, civic and community events and gatherings, athletic and cultural events, entertainment, and other activities. The Convention Center is governed by nine directors consisting of the Chief Financial Officer of the District, the Director of the Office of Tourism and Promotions, and seven directors appointed by the Mayor with the consent of the Council.

The **Sports Commission Unit** is used to account for maintaining and operating the National Guard Armory for major athletic events, conventions, concerts, and other activities; and for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events. The Sport Commission promotes the District as a sporting event site; coordinates development and construction of sporting facilities and related infrastructure; manages District-owned facilities; and may own and operate a professional sports franchise. The eleven directors who govern the Sports Commission consist of the Chief Financial Officer of the District, the Director of the Department of Recreation and Parks, a District government official appointed by the Mayor, and eight directors appointed by the Mayor with the consent of the Council.

The **Housing Finance Unit** is used to account for cash received from public and private sources that is used to alleviate the shortage of adequate housing. Mortgage lenders work with the fund to make mortgage, construction, and rehabilitation loans for single and multi-family units, both rented and owned. The increase in the supply of residential mortgages and construction loans and the lowering of the cost of money available for these loans expands available housing opportunities, achieves neighborhood and fiscal stability, and affects residential economic diversity. The fund is administered by Housing Finance Agency Board of Directors, which is comprised of five members who are appointed by the Mayor with the consent of the Council.

The **University** unit is used to account for resources received and used by the University of the District of Columbia, which is a land-grant institution offering higher education to the public. The University is governed by a Board of Trustees. Eleven members of the board are appointed by the Mayor with the consent of the Council, one member is a full-time student, and three members are appointed by the alumni associations. Depreciation on fixed assets is closed to Contributed Capital.

Exhibit F-1

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING BALANCE SHEET

September 30, 2000
(With Comparative Totals at September 30, 1999)
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 2000	Totals 1999
ASSETS								
Current Assets:								
Cash and investments:								
Restricted	$ 152	31,984	524,840	-	3,217	9,186	569,379	621,525
Unrestricted	-	156,664	15,847	17,967	563,930	23,513	777,921	599,853
Receivables (net of allowances for uncollectibles):								
Accounts	24,713	58,396	771	575	13,493	15,506	113,454	140,304
Due from federal government	-	14,397	-	-	-	-	14,397	29,103
Due from primary government	-	20,749	4,759	-	-	5,539	31,047	49,250
Inventories	1,311	10,104	-	-	-	-	11,415	12,252
Other current assets	-	-	2,012	46	1,066	1,285	4,409	13,661
Total current Assets	26,176	292,294	548,229	18,588	581,706	55,029	1,522,022	1,465,948
Long Term Assets:								
Loans receivable	-	-	-	-	265,405	-	265,405	208,495
Due from federal government	-	33,282	-	-	-	-	33,282	36,674
Deferred charges	-	-	16,500	-	11,631	-	28,131	26,882
Total long term assets	-	33,282	16,500	-	277,036	-	326,818	272,051
Fixed Assets:								
Property and equipment	140,824	1,805,507	357,686	34,204	4,222	162,277	2,504,720	2,260,525
Less-accumulated depreciation	(138,824)	(536,724)	(39,537)	(25,829)	(1,251)	(92,724)	(834,889)	(761,112)
Net fixed assets	2,000	1,268,783	318,149	8,375	2,971	69,553	1,669,831	1,499,413
Total assets	**28,176**	**1,594,359**	**882,878**	**26,963**	**861,713**	**124,582**	**3,518,671**	**3,237,412**
LIABILITIES AND EQUITY								
Current Liabilities:								
Payables:								
Accounts	13,095	43,154	18,345	520	2,357	4,588	82,059	69,276
Compensation	12,809	7,864	1,224	355	-	5,907	28,159	27,603
Intergovernmental	-	-	-	-	-	-	-	-
Due to primary government	42,059	-	-	2,177	-	20,607	64,843	44,236
Accrued liabilities	-	20,119	-	-	13,606	4,144	37,869	53,103
Deferred revenue	519	51,404	15,185	-	39,129	8,039	114,276	70,840
Current maturities	-	17,691	-	-	-	-	17,691	64,306
Other current liabilities	6,974	-	8,379	237	-	-	15,590	17,216
Total current liabilities	75,456	140,232	43,133	3,289	55,092	43,285	360,487	346,580
Long Term Liabilities:								
Long term debt:								
Notes payable to federal government	-	-	-	-	-	-	-	15,242
General obligation bonds payable	-	91,181	-	-	-	-	91,181	599,468
Other bonds and loans payable	-	291,036	524,460	-	770,392	-	1,585,888	816,147
Other long term liabilities:								
Capital leases payable	-	-	-	-	2,240	-	2,240	2,325
Deferred revenue	-	371,912	-	-	-	-	371,912	344,735
Total long term liabilities	-	754,129	524,460	-	772,632	-	2,051,221	1,777,917
Total liabilities	**75,456**	**894,361**	**567,593**	**3,289**	**827,724**	**43,285**	**2,411,708**	**2,124,497**
Equity:								
Contributed capital	119,816	399,183	95,361	15,715	-	69,552	699,627	700,256
Retained earnings (deficit)	(167,096)	300,815	219,924	7,959	33,989	11,745	407,336	412,659
Total equity	**(47,280)**	**699,998**	**315,285**	**23,674**	**33,989**	**81,297**	**1,106,963**	**1,112,915**
Total liabilities and equity	$ **28,176**	**1,594,359**	**882,878**	**26,963**	**861,713**	**124,582**	**3,518,671**	**3,237,412**

Exhibit F-2

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 2000
(With Comparative Totals for Year Ended September 30, 1999)
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 2000	Totals 1999
Operating Revenues:								
Charges for services:								
Public	$ 52,878	187,761	10,072	7,047	-	13,159	270,917	347,872
Federal contributions/grants	3,418	24,092	-	-	-	-	27,510	39,203
Primary government	13,098	16,077	-	-	-	5,993	35,168	26,709
Miscellaneous:								
Interest on loans	-	-	-	-	25,513	-	25,513	11,569
Total operating revenues	69,394	227,930	10,072	7,047	25,513	19,152	359,108	425,353
Operating Expenses:								
Personal services	114,199	63,242	10,058	3,164	2,243	52,161	245,067	231,037
Contractual services	58,086	63,729	2,607	1,822	-	4,212	130,456	95,523
Supplies	23,500	12,351	541	59	-	1,817	38,268	25,981
Occupancy	14,071	20,091	1,937	935	-	3,081	40,115	32,188
Depreciation	4,639	30,329	2,251	932	158	4,960	43,269	41,060
Miscellaneous	14,906	16,983	237	1,054	26,206	18,351	77,737	67,072
Total operating expenses	229,401	206,725	17,631	7,966	28,607	84,582	574,912	492,861
OPERATING INCOME (LOSS)	(160,007)	21,205	(7,559)	(919)	(3,094)	(65,430)	(215,804)	(67,508)
Nonoperating Revenues (Expenses):								
Intergovernmental	-	-	(5,519)	-	29,716	10,045	34,242	31,057
Interest revenue	-	12,744	2,437	-	15,080	1,794	32,055	31,509
Interest expense	-	(18,616)	-	-	(37,338)	-	(55,954)	(53,696)
Miscellaneous	-	-	-	-	-	(427)	(427)	(7,800)
Total nonoperating revenues (expenses)	-	(5,872)	(3,082)	-	7,458	11,412	9,916	1,070
INCOME (LOSS) BEFORE TRANSFERS	(160,007)	15,333	(10,641)	(919)	4,364	(54,018)	(205,888)	(66,438)
Operating transfers from primary government	44,435	-	54,524	-	-	40,491	139,450	148,135
Transfers in excess of appropriation	51,666	-	-	-	-	-	51,666	-
Total transfers from primary government	96,101	-	54,524	-	-	40,491	191,116	148,135
NET INCOME (LOSS)	**(63,906)**	**15,333**	**43,883**	**(919)**	**4,364**	**(13,527)**	**(14,772)**	**81,697**
Depreciation closed to Contributed Capital	-	4,489	-	-	-	4,960	9,449	8,630
INCREASE (DECREASE) IN RETAINED EARNINGS	**(63,906)**	**19,822**	**43,883**	**(919)**	**4,364**	**(8,567)**	**(5,323)**	**90,327**
Retained Earnings (Deficit) at October 1 (restated)	(103,190)	280,993	176,041	8,878	29,625	20,312	412,659	322,332
Retained Earnings (Deficit) at September 30	$ (167,096)	300,815	219,924	7,959	33,989	11,745	407,336	412,659

Exhibit F-3

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2000
(With Comparative Totals for Year Ended September 30, 1999)
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 2000	Totals 1999
Operating Activities:								
Cash receipts from customers	$ 70,387	221,732	24,643	7,148	-	22,480	346,390	362,786
Cash receipts from loans and interest	-	-	-	-	22,333	-	22,333	25,253
Other cash receipts	16,516	16,077	-	-	27,332	774	60,699	47,336
Cash payments to vendors	(68,247)	(52,997)	(8,529)	(3,843)	(26,338)	(8,818)	(168,772)	(140,904)
Cash payments to employees	(114,115)	(62,965)	(10,370)	(3,188)	(2,243)	(68,697)	(261,578)	(233,282)
Net cash provided (used)	(95,459)	121,847	5,744	117	21,084	(54,261)	(928)	61,189
Capital and Related Financing Activities:								
Acquisitions of fixed assets	(490)	(134,550)	(94,342)	(1,976)	(126)	(784)	(232,268)	(109,319)
Proceeds of long term bonds	-	-	-	-	-	-	-	15,242
Payments of long term debt	-	(16,145)	-	-	-	(428)	(16,573)	(19,690)
Payments of interest and charges	-	(18,704)	(27,525)	-	-	(29)	(46,258)	(17,319)
Contributions of capital	-	11,007	-	-	-	-	11,007	9,860
Net cash provided (used)	(490)	(158,392)	(121,867)	(1,976)	(126)	(1,241)	(284,092)	(121,226)
Noncapital Financing Activities:								
Intergovernmental	-	3,392	(5,519)	-	29,631	-	27,504	30,453
Transfers from General Fund	96,101	-	54,524	-	-	40,491	191,116	148,135
Mortgages and construction loans	-	-	-	-	(56,910)	-	(56,910)	-
Proceeds of loans payable	-	-	-	-	283,247	-	283,247	138,650
Payments of interest and charges	-	-	-	-	(36,903)	-	(36,903)	(20,602)
Other long term payments	-	-	-	-	-	-	-	(15,497)
Receipts from other funds	-	17,841	35	-	-	20,607	38,483	6,481
Net cash provided	96,101	21,233	49,040	-	219,065	61,098	446,537	287,620
Investing Activities:								
Receipts of interest and dividends	-	12,744	2,437	-	15,080	1,817	32,078	59,522
Payments of loans payable	-	-	-	-	(67,673)	-	(67,673)	(139,344)
Net cash provided	-	12,744	2,437	-	(52,593)	1,817	(35,595)	(79,822)
INCREASE (DECREASE) IN CASH	152	(2,568)	(64,646)	(1,859)	187,430	7,413	125,922	147,761
Cash and Investments at October 1	-	191,216	605,333	19,826	379,717	25,286	1,221,378	1,093,233
Cash and Investments at September 30	$ 152	188,648	540,687	17,967	567,147	32,699	1,347,300	1,240,994
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:								
Operating income (loss)	$ (160,007)	21,205	(7,559)	(919)	(3,094)	(65,430)	(215,804)	(67,508)
Depreciation	4,639	30,329	2,251	932	158	4,960	43,269	41,060
Allowance for uncollectibles	-	-	-	144	-	(119)	25	(5,545)
Miscellaneous nonoperating revenues	-	-	-	-	-	11,839	11,839	(7,800)
Loss on dispositions of fixed assets	33,115	49,751	14	-	-	-	82,880	7,050
Decrease (increase) in assets:								
Receivables	16,990	14,987	1,750	(43)	(3,527)	3,070	33,227	(8,028)
Inventories	(138)	975	-	-	-	-	837	2,566
Other current assets	2,302	-	688	(11)	5,920	1,003	9,902	64,490
Loans receivable	-	-	-	-	-	-	-	14,305
Increase (decrease) in liabilities:								
Payables	147	8,911	4,584	(23)	(132)	(1,563)	11,924	17,784
Accrued liabilities	-	(4,194)	-	-	-	(10,090)	(14,284)	(14,232)
Deferred revenue	519	(117)	12,133	-	21,759	2,069	36,363	1,709
Other current liabilities	6,974	-	(8,117)	37	-	-	(1,106)	15,338
Net cash provided (used)	(95,459)	121,847	5,744	117	21,084	(54,261)	(928)	61,189

SUPPORTING SCHEDULES

Supporting schedules are financial presentations used to aggregate and present in greater detail information spread throughout the financial statements and to present additional information not disclosed in GAAP statements.

Supporting budgetary schedules are presented to demonstrate budgetary compliance with the legally adopted operating budget that includes the General Fund, Enterprise fund component units, and the administrative costs of the Pension Trust.

Supporting schedules of financial operation and activity, which exclude pension trust funds, are aggregated using the flow of financial resources measurement focus and the accrual basis of accounting. With this measurement focus, all capital asset and debt transactions are presented in the schedules and depreciation of fixed assets is not reported as an expense. General Fund and special revenue fund purchases of equipment are included in functional expenditures. Under the accrual basis of accounting, revenues are recognized when earned and expenditures, except accreted interest, are recognized when the related liabilities are incurred. The results of operations are reclassified in conformity with generally accepted accounting principles in order to provide reconciliation with the general purpose financial statements.

A supporting schedule presents the comparative cash flows of the general fund, reconciled to the operating excess (deficiency).

Exhibit G-1

FINANCIAL REPORTING ENTITY
SCHEDULE OF BUDGETARY BASIS EXPENDITURES

Year Ended September 30, 2000
($000s)

	Budget			
	Original	Revised	Actual	Variance
Governmental direction and support:				
City Council	$ 10,477	10,647	10,531	116
DC Auditor	1,183	1,175	1,049	126
Advisory neighborhood commissions	623	623	464	159
Mayor	9,207	10,457	5,330	5,127
Executive secretary	1,816	2,137	1,883	254
Inspector general	6,827	8,950	8,576	374
City Administrator	12,821	25,800	14,538	11,262
Personnel	10,445	11,814	11,067	747
Human resource development	3,766	3,735	3,681	54
Finance and resource management	778	756	373	383
Property management	9,152	10,651	9,332	1,319
Contracts and procurement	14,150	14,748	13,778	970
Contract appeals	687	699	677	22
Chief financial officer	75,132	86,048	78,334	7,714
Chief technology officer	3,740	53,633	51,002	2,631
Elections and ethics	3,238	3,662	3,531	131
Campaign finance	978	1,003	954	49
Public employee relations	632	638	494	144
Employee appeals	1,337	1,386	1,339	47
Council of governments	367	367	367	-
Total governmental direction and support	**167,356**	**248,929**	**217,300**	**31,629**
Economic development and regulation:				
Business services and economic development	22,515	23,950	15,885	8,065
Office of banks and financial institutions	870	1,680	1,317	363
Office of zoning	1,275	1,288	1,222	66
Housing and community development	56,739	93,008	45,623	47,385
Employment services	63,690	91,092	65,248	25,844
Appeals and review	240	243	240	3
Real property assessment and appeals	291	295	255	40
Consumer and regulatory affairs	27,125	29,640	26,706	2,934
Office of cable TV	2,450	3,409	3,320	89
Public services commission	5,327	6,098	5,268	830
Insurance regulation	6,990	6,990	6,426	564
Office of people's counsel	2,823	2,823	2,757	66
Total economic development and regulation	**190,335**	**260,516**	**174,267**	**86,249**
Public safety and justice:				
Police	301,574	313,697	306,281	7,416
Fire and emergency medical services	111,870	112,695	112,855	(160)
Police and firefighter retirement contribution	39,900	39,900	39,900	-
Corporation counsel	46,425	48,917	43,313	5,604
Payment of settlements and judgments	26,900	26,900	68,166	(41,266)
Corrections	245,577	247,757	248,527	(770)
National guard	1,748	1,939	1,904	35
Emergency preparedness	2,641	4,848	4,569	279
Judicial disabilities and tenure	143	153	147	6
Judicial nomination	85	87	83	4
Citizen complaint review board	1,200	1,048	218	830
Adivsory commission on sentencing	707	701	100	601
Total public safety and justice	**778,770**	**798,642**	**826,063**	**(27,421)**
Public education system:				
Public schools	713,197	778,559	771,759	6,800
Public charter schools	27,885	50,678	49,935	743
DC resident tuition	17,000	16,952	641	16,311
Teachers' retirement contribution	10,700	10,700	10,700	-
University	72,347	73,340	40,491	32,849
Public library	24,171	25,609	25,130	479
Arts and humanities	2,111	2,441	2,440	1
Total public education system	**867,411**	**958,279**	**901,096**	**57,183**

Exhibit G-1

FINANCIAL REPORTING ENTITY

SCHEDULE OF BUDGETARY BASIS EXPENDITURES

Year Ended September 30, 2000
($000s)

	Budget			
	Original	Revised	Actual	Variance
Human support services:				
Human development	$ 393,691	440,936	359,650	81,286
Health	1,004,113	1,065,246	1,006,824	58,422
Recreation and parks	26,196	27,261	27,609	(348)
Aging	18,616	19,158	18,981	177
Public benefit corporation payment	44,435	44,435	96,101	(51,666)
PBC - uncollectible prior year advances to PBC	-	-	42,059	(42,059)
Unemployment compensation contribution	7,200	4,505	4,133	372
Employee disability compensation	25,150	28,195	28,993	(798)
Human rights and minority business opportunity	1,221	1,228	842	386
Latino affairs	880	888	889	(1)
Energy	4,859	6,604	4,836	1,768
Total human support services	**1,526,361**	**1,638,456**	**1,590,917**	**47,539**
Public works:				
Public works	106,209	114,284	107,450	6,834
Taxicab commission	730	740	587	153
Department of motor vehicles	25,393	28,143	24,336	3,807
Washington metropolitan area transit commission	81	81	81	-
Washington metropolitan area transit authority	135,532	135,532	135,531	1
School transit subsidy	3,450	3,450	3,050	400
Total public works	**271,395**	**282,230**	**271,035**	**11,195**
Receiverships:				
Medical receiver	13,300	13,300	13,300	-
Child and family services	119,355	143,981	138,740	5,241
Incentives for adoption of children	5,000	4,981	-	4,981
Commission on mental health services	204,422	206,909	206,713	196
Total receiverships	**342,077**	**369,171**	**358,753**	**10,418**
Other:				
Repayment of bonds and interest	328,417	326,386	315,656	10,730
Repayment of general fund deficit bonds	38,286	38,286	38,343	(57)
Interest on short term borrowing	9,000	9,000	3,002	5,998
Certificates of participation	7,950	7,950	7,929	21
Financial responsibility authority	3,140	3,140	3,140	-
Water and sewer authority	236,075	279,608	189,675	89,933
Washington aqueduct	43,533	-	-	-
Lottery and games	234,400	234,400	217,418	16,982
Sports commission	10,846	10,846	2,852	7,994
Public benefit corporation operations	89,008	89,008	110,493	(21,485)
Retirement board administration	9,892	9,892	6,058	3,834
Correctional industries	1,810	1,810	1,790	20
Washington convention center operations	50,226	50,226	20,891	29,335
Optical and dental insurance	1,295	1,295	-	1,295
Productivity bank	20,000	20,000	-	20,000
Workforce investments	8,500	353	-	353
Buyouts and other management reforms	18,000	3,648	-	3,648
Management supervisory service	-	174	-	174
Reserve	150,000	123,440	-	123,440
Total other	**1,260,378**	**1,209,462**	**917,247**	**292,215**
PL 106-113 General supply schedule savings	(14,457)	(14,457)	-	(14,457)
PL 106-113 Management reform savings	(7,000)	(7,000)	-	(7,000)
PL 106-113 Productivity savings	(20,000)	(20,000)	-	(20,000)
Total savings	**(41,457)**	**(41,457)**	-	**(41,457)**
Total budget	$ **5,362,626**	**5,724,228**	**5,256,678**	**467,550**

Exhibit G-2

FINANCIAL REPORTING ENTITY

SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS

Year Ended September 30, 2000
($000s)

	Local Source				Federal Grants			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
General Fund:								
Revenues	$ 3,114,100	3,221,960	3,431,976	(210,016)	1,231,408	1,533,381	1,256,673	276,708
Expenditures and PL 106-113 productivity savings	-	-	-	-	-	-	-	-
Excess (Deficiency)	3,114,100	3,221,960	3,431,976	(210,016)	1,231,408	1,533,381	1,256,673	276,708
Water and Sewer Utility:								
Water and Sewer Authority:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Aqueduct:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total Water and Sewer Utility:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Lottery and Games:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Sports Commission:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Benefit Corp. Operations:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Retirement Board Administration:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Correctional Industries:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Convention Center Operations:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total:								
Revenues	3,114,100	3,221,960	3,431,976	(210,016)	1,231,408	1,533,381	1,256,673	276,708
Expenditures and PL 106-113 deficit reduction	-	-	-	-	-	-	-	-
Excess (Deficiency)	$ 3,114,100	3,221,960	3,431,976	(210,016)	1,231,408	1,533,381	1,256,673	276,708

Exhibit G-2

FINANCIAL REPORTING ENTITY

SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS

Year Ended September 30, 2000
($000s)

	Private and Other				Total			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
General Fund:								
Revenues $	341,574	371,062	310,352	60,710	4,687,082	5,126,403	4,999,001	127,402
Expenditures and PL 106-113 productivity savings	-	-	-	-	-	-	-	-
Excess (Deficiency)	341,574	371,062	310,352	60,710	4,687,082	5,126,403	4,999,001	127,402
Water and Sewer Utility:								
Water and Sewer Authority:								
Revenues	236,075	279,608	189,675	89,933	236,075	279,608	189,675	89,933
Expenditures	236,075	279,608	189,675	89,933	236,075	279,608	189,675	89,933
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Aqueduct:								
Revenues	43,533	-	-	-	43,533	-	-	-
Expenditures	43,533	-	-	-	43,533	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total Water and Sewer Utility:								
Revenues	279,608	279,608	189,675	89,933	279,608	279,608	189,675	89,933
Expenditures	279,608	279,608	189,675	89,933	279,608	279,608	189,675	89,933
Excess (Deficiency)	-	-	-	-	-	-	-	-
Lottery and Games:								
Revenues	234,400	234,400	217,418	16,982	234,400	234,400	217,418	16,982
Expenditures	234,400	234,400	217,418	16,982	234,400	234,400	217,418	16,982
Excess (Deficiency)	-	-	-	-	-	-	-	-
Sports Commission:								
Revenues	10,846	10,846	2,852	7,994	10,846	10,846	2,852	7,994
Expenditures	10,846	10,846	2,852	7,994	10,846	10,846	2,852	7,994
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Benefit Corp. Operations:								
Revenues	89,008	89,008	110,493	(21,485)	89,008	89,008	110,493	(21,485)
Expenditures	89,008	89,008	110,493	(21,485)	89,008	89,008	110,493	(21,485)
Excess (Deficiency)	-	-	-	-	-	-	-	-
Retirement Board Administration:								
Revenues	9,892	9,892	6,058	3,834	9,892	9,892	6,058	3,834
Expenditures	9,892	9,892	6,058	3,834	9,892	9,892	6,058	3,834
Excess (Deficiency)	-	-	-	-	-	-	-	-
Correctional Industries:								
Revenues	1,810	1,810	1,790	20	1,810	1,810	1,790	20
Expenditures	1,810	1,810	1,790	20	1,810	1,810	1,790	20
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Convention Center Operations:								
Revenues	50,226	50,226	20,891	29,335	50,226	50,226	20,891	29,335
Expenditures	50,226	50,226	20,891	29,335	50,226	50,226	20,891	29,335
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total:								
Revenues	1,017,364	1,046,852	859,529	187,323	5,362,872	5,802,193	5,548,178	254,015
Expenditures and PL 106-113 deficit reduction	675,790	675,790	549,177	126,613	675,790	675,790	549,177	126,613
Excess (Deficiency) $	341,574	371,062	310,352	60,710	4,687,082	5,126,403	4,999,001	127,402

Exhibit G-3

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGET REVISIONS

Year Ended September 30, 2000
($000s)

	Local Source					Federal Grants			
	Original Budget	Initial Allocation	Repro-gramming	Other Allocations	Revised Budget	Original Budget	Initial Allocation	Revenue Change	Revised Budget
Revenues and Sources:									
Taxes:									
Property taxes	$ 606,700	-	-	(33,800)	572,900	-	-	-	-
Sales and use taxes	620,000	-	-	6,565	626,565	-	-	-	-
Income taxes	954,600	-	-	64,200	1,018,800	-	-	-	-
Other taxes	666,000	-	-	12,488	678,488	-	-	-	-
Total taxes	2,847,300	-	-	49,453	2,896,753	-	-	-	-
Licenses and permits	48,498	-	-	(7,504)	40,994	-	-	-	-
Fines and forfeits	56,771	-	-	(3,495)	53,276	-	-	-	-
Charges for services	34,173	-	-	3,629	37,802	-	-	-	-
Miscellaneous	93,558	-	-	(9,223)	84,335	-	-	-	-
Private & Other	-	-	-	-	-	-	-	-	-
Federal contributions	23,750	-	-	-	23,750	-	-	-	-
Operating grants	-	-	-	-	-	1,231,408	-	301,973	1,533,381
Transfer of interest income	-	-	-	-	-	-	-	-	-
Transfer in from Lottery Board	69,000	-	-	-	69,000	-	-	-	-
Tax parity act	(58,950)	-	-	58,950	-	-	-	-	-
Total revenues and sources	**3,114,100**	-	-	**91,810**	**3,205,910**	**1,231,408**	-	**301,973**	**1,533,381**
Expenditures and Uses:									
Governmental direction and support	137,134	15,000	-	12,643	164,777	11,670	-	45,659	57,329
Economic development and regulation	52,911	800	959	(2,329)	52,341	84,751	-	61,398	146,149
Public safety and justice	565,511	13,750	-	1,910	581,171	29,012	-	707	29,719
Public education system	721,847	2,200	300	18,529	742,876	120,951	-	63,111	184,062
Human support services	635,373	500	-	1,696	637,569	875,814	-	103,598	979,412
Public works	258,341	-	-	618	258,959	3,099	-	2,498	5,597
Receiverships	217,606	-	-	129	217,735	106,111	-	25,002	131,113
Workforce Investments	8,500	-	-	(8,147)	353	-	-	-	-
Buyouts and Other Management Reforms	-	-	-	-	-	-	-	-	-
Reserve	150,000	-	-	(26,560)	123,440	-	-	-	-
Financial Responsibility Authority	3,140	-	-	-	3,140	-	-	-	-
Repayment of bonds and interest	328,417	-	-	(2,031)	326,386	-	-	-	-
Repayment of General Fund deficit bonds	38,286	-	-	-	38,286	-	-	-	-
Interest on short term borrowing	9,000	-	-	-	9,000	-	-	-	-
Certificates of participation	7,950	-	-	-	7,950	-	-	-	-
Optical and Dental Insurance	1,295	-	-	-	1,295	-	-	-	-
Productivity Bank	20,000	-	-	-	20,000	-	-	-	-
Water and Sewer Authority	-	-	-	-	-	-	-	-	-
Washington Aqueduct	-	-	-	-	-	-	-	-	-
Lottery and Games	-	-	-	-	-	-	-	-	-
Sports Commission	-	-	-	-	-	-	-	-	-
Public Benefit Corporation operations	-	-	-	-	-	-	-	-	-
Retirement Board administration	-	-	-	-	-	-	-	-	-
Correctional Industries	-	-	-	-	-	-	-	-	-
Washington Convention Center operations	-	-	-	-	-	-	-	-	-
Management Supervisory Service	-	-	-	174	174	-	-	-	-
Total expenditures and uses	**3,155,311**	**32,250**	**1,259**	**(3,368)**	**3,185,452**	**1,231,408**	-	**301,973**	**1,533,381**
Subtotal	(41,211)	(32,250)	(1,259)	95,178	20,458	-	-	-	-
PL 106-113 General Supply Schedule Savings	14,457	-	-	-	14,457	-	-	-	-
PL 106-113 Management Reform Savings	7,000	-	-	-	7,000	-	-	-	-
PL 106-113 Productivity Savings	20,000	-	-	-	20,000	-	-	-	-
Total PL 106-113 Savings	41,457	-	-	-	41,457	-	-	-	-
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	**$ 246**	**(32,250)**	**(1,259)**	**95,178**	**61,915**	-	-	-	-

Exhibit G-3

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGET REVISIONS

Year Ended September 30, 2000
($000s)

	Private and Other				Total					
	Original Budget	Initial Allocation	Revenue Change	Revised Budget	Original Budget	Initial Allocation	Repro-gramming	Revenue Change	Other Allocations	Revised Budget
Revenues and Sources:										
Taxes:										
Property taxes	$ -	-	-	-	606,700	-	-	-	(33,800)	572,900
Sales and use taxes	-	-	-	-	620,000	-	-	-	6,565	626,565
Income taxes	-	-	-	-	954,600	-	-	-	64,200	1,018,800
Other taxes	-	-	-	-	666,000	-	-	-	12,488	678,488
Total taxes	-	-	-	-	2,847,300	-	-	-	49,453	2,896,753
Licenses and permits	-	-	-	-	48,498	-	-	-	(7,504)	40,994
Fines and forfeits	-	-	-	-	56,771	-	-	-	(3,495)	53,276
Charges for services	-	-	-	-	34,173	-	-	-	3,629	37,802
Miscellaneous	-	-	-	-	93,558	-	-	-	(9,223)	84,335
Private & Other	994,364	-	29,488	1,023,852	994,364	-	-	29,488	-	1,023,852
Federal contributions	-	-	-	-	23,750	-	-	-	-	23,750
Operating grants	-	-	-	-	1,231,408	-	-	301,973	-	1,533,381
Transfer of interest income	23,000	-	-	23,000	23,000	-	-	-	-	23,000
Transfer in from Lottery Board	-	-	-	-	69,000	-	-	-	-	69,000
Tax parity act	-	-	-	-	(58,950)	-	-	-	58,950	-
Total revenues and sources	**1,017,364**	**-**	**29,488**	**1,046,852**	**5,362,872**	**-**	**-**	**331,461**	**91,810**	**5,786,143**
Expenditures and Uses:										
Governmental direction and support	18,552	-	8,271	26,823	167,356	15,000	-	53,930	12,643	248,929
Economic development and regulation	52,673	-	9,353	62,026	190,335	800	959	70,751	(2,329)	260,516
Public safety and justice	184,247	-	3,505	187,752	778,770	13,750	-	4,212	1,910	798,642
Public education system	24,613	-	6,728	31,341	867,411	2,200	300	69,839	18,529	958,279
Human support services	15,174	-	6,301	21,475	1,526,361	500	-	109,899	1,696	1,638,456
Public works	9,955	-	7,719	17,674	271,395	-	-	10,217	618	282,230
Receiverships	18,360	-	1,963	20,323	342,077	-	-	26,965	129	369,171
Workforce Investments	-	-	-	-	8,500	-	-	-	(8,147)	353
Buyouts and Other Management Reforms	18,000	-	(14,352)	3,648	18,000	-	-	(14,352)	-	3,648
Reserve	-	-	-	-	150,000	-	-	-	(26,560)	123,440
Financial Responsibility Authority	-	-	-	-	3,140	-	-	-	-	3,140
Repayment of bonds and interest	-	-	-	-	328,417	-	-	-	(2,031)	326,386
Repayment of General Fund deficit bonds	-	-	-	-	38,286	-	-	-	-	38,286
Interest on short term borrowing	-	-	-	-	9,000	-	-	-	-	9,000
Certificates of participation	-	-	-	-	7,950	-	-	-	-	7,950
Optical and Dental Insurance	-	-	-	-	1,295	-	-	-	-	1,295
Productivity Bank	-	-	-	-	20,000	-	-	-	-	20,000
Water and Sewer Authority	236,075	-	-	279,608	236,075	-	-	-	-	236,075
Washington Aqueduct	43,533	-	-	-	43,533	-	-	-	-	-
Lottery and Games	234,400	-	-	234,400	234,400	-	-	-	-	234,400
Sports Commission	10,846	-	-	10,846	10,846	-	-	-	-	10,846
Public Benefit Corporation operations	89,008	-	-	89,008	89,008	-	-	-	-	89,008
Retirement Board administration	9,892	-	-	9,892	9,892	-	-	-	-	9,892
Correctional Industries	1,810	-	-	1,810	1,810	-	-	-	-	1,810
Washington Convention Center operations	50,226	-	-	50,226	50,226	-	-	-	-	50,226
Management Supervisory Service	-	-	-	-	-	-	-	-	174	174
Total expenditures and uses	**1,017,364**	**-**	**29,488**	**1,046,852**	**5,404,083**	**32,250**	**1,259**	**331,461**	**(3,368)**	**5,722,152**
Subtotal	-	-	-	-	(41,211)	(32,250)	(1,259)	-	95,178	63,991
PL 106-113 General Supply Schedule Savings	-	-	-	-	14,457	-	-	-	-	14,457
PL 106-113 Management Reform Savings	-	-	-	-	7,000	-	-	-	-	7,000
PL 106-113 Productivity Savings	-	-	-	-	20,000	-	-	-	-	20,000
Total PL 106-113 Savings	-	-	-	-	41,457	-	-	-	-	41,457
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	$ -	-	-	-	**246**	**(32,250)**	**(1,259)**	**-**	**95,178**	**105,448**

Exhibit G-4

FINANCIAL REPORTING ENTITY

COMBINING SCHEDULE OF FINANCIAL OPERATIONS

Year Ended September 30, 2000
(With Comparative Totals for Year Ended September 30, 1999)
($000s)

	General	Financial Responsibility Authority	Capital Projects	Lottery and Games	Unemployment Compensation	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 2000	Totals 1999
Revenues:													
Taxes	$ 3,127,849	-	-	-	108,268	-	-	-	-	-	-	3,236,117	2,982,946
Licenses and permits	44,446	-	-	-	-	-	-	-	-	-	-	44,446	48,247
Fines and forfeits	54,865	-	-	-	-	-	-	-	-	-	-	54,865	47,794
Charges for services	174,438	-	-	216,134	-	69,394	227,930	10,072	7,047	25,513	19,152	749,680	787,448
Benefit contributions	-	-	-	-	8,721	-	-	-	-	-	-	8,721	11,523
Miscellaneous	214,518	2,936	-	1,534	14,906	-	12,744	(3,082)	-	15,080	1,367	260,003	216,647
Federal contributions/grants	1,688,826	-	-	-	-	-	-	-	-	29,716	10,045	1,728,587	1,379,243
Transfers from other funds	69,450	3,140	51,975	-	-	96,101	-	54,524	-	-	40,491	315,681	219,372
Total revenues	5,374,392	6,076	51,975	217,668	131,895	165,495	240,674	61,514	7,047	70,309	71,055	6,398,100	5,693,220
Expenditures:													
General direction	247,664	6,019	-	-	-	-	-	-	-	-	-	253,683	337,009
Economic development	180,443	-	-	-	-	-	-	-	-	28,449	-	208,892	190,050
Public safety and justice	924,843	-	-	-	-	-	-	-	-	-	-	924,843	759,526
Public education	899,763	-	-	-	-	-	-	-	-	-	79,622	979,385	819,025
Human support services	1,552,495	-	-	148,016	80,896	224,762	-	15,380	7,034	-	-	2,028,583	1,641,253
Public works	135,067	-	-	-	-	-	176,396	-	-	-	-	311,463	432,593
Receiverships	366,961	-	-	-	-	-	-	-	-	-		366,961	397,435
Interest and charges	175,058	-	-	-	-	-	18,616	-	-	37,338	-	231,012	252,095
Transfers to other funds	243,092	-	-	69,450	-	-	-	-	-	-	-	312,542	263,579
Total expenditures	4,725,386	6,019	-	217,466	80,896	224,762	195,012	15,380	7,034	65,787	79,622	5,617,364	5,092,565
OPERATING EXCESS (DEFICIENCY)	649,006	57	51,975	202	50,999	(59,267)	45,662	46,134	13	4,522	(8,567)	780,736	600,655
Capital Sources (uses):													
Capital acquisitions	-	-	(435,336)	-	-	490	(134,550)	(94,342)	(3,952)	(126)	(784)	(668,600)	(438,988)
Capital contributions	-	-	132,224	-	-	-	-	-	-	-	-	132,224	164,927
Interest	-	-	8,075	-	-	-	-	-	-	-	-	8,075	7,416
Lease inceptions and asset sales	-	-	11,871	-	-	-	-	-	-	-	-	11,871	25,550
Bond proceeds	2,689	-	186,663	-	-	-	-	-	-	-	-	189,352	1,191,001
Debt payments	(220,054)	-	-	-	-	-	(16,110)	-	-	(55,711)	-	(291,875)	(815,160)
Other	(176,946)	-	24,033	-	-	-	-	-	-	-	-	(152,913)	78,744
Total capital uses	(394,311)	-	(72,470)	-	-	490	(150,660)	(94,342)	(3,952)	(55,837)	(784)	(771,866)	213,490
NET EXCESS (DEFICIENCY)	**254,695**	**57**	**(20,495)**	**202**	**50,999**	**(58,777)**	**(104,998)**	**(48,208)**	**(3,939)**	**(51,315)**	**(9,351)**	**8,870**	**814,145**
Reclassification to GAAP basis	(13,968)	-	-	(155)	-	(5,129)	124,820	92,091	3,020	55,679	784	257,142	(409,766)
INCREASE (DECREASE) IN BALANCES	**240,727**	**57**	**(20,495)**	**47**	**50,999**	**(63,906)**	**19,822**	**43,883**	**(919)**	**4,364**	**(8,567)**	**266,012**	**404,379**
Balances at October 1 (restated)	224,210	970	478,925	3,228	220,662	(103,190)	280,993	176,041	8,878	29,625	20,312	1,340,654	936,275
Balances at September 30	**$ 464,937**	**1,027**	**458,430**	**3,275**	**271,661**	**(167,096)**	**300,815**	**219,924**	**7,959**	**33,989**	**11,745**	**1,606,666**	**1,340,654**

Exhibit G-5

FINANCIAL REPORTING ENTITY

SCHEDULE OF BUDGETARY BASIS EXPENDITURES

Year Ended September 30, 2000
($000s)

	2000					1999		Difference	
	Gross Cost	Related Resources		Net Cost	% of Revenue	Net Cost	% of Revenue	Better or (Worse)	
		District	Federal					Amount	%
General Revenues:									
Sovereign:									
Taxes	$ -	3,127,849	-	3,127,849	80.7 %	$ 2,892,562	87.2 %	$ 235,287	8.1 %
Licenses and permits	-	44,446	-	44,446	1.1	48,247	1.5	(3,801)	(7.9)
Fines and forfeits	-	54,865	-	54,865	1.5	47,794	1.4	7,071	14.8
Miscellaneous:									
Interest	-	31,933	-	31,933	0.8	27,795	0.8	4,138	14.9
Other	-	182,585	-	182,585	4.7	143,843	4.3	38,742	26.9
Federal:									
Payment in lieu of taxes	-	-	435,381	435,381	11.2	157,968	4.8	277,413	175.6
Total general revenues	-	3,441,678	435,381	3,877,059	100.0	3,318,209	100.0	558,850	16.8
Cost of Operating:									
General:									
Governmental direction	247,664	38,731	41,960	166,973	4.3	305,040	9.2	(138,067)	(45.3)
Economic development	180,443	18,575	82,134	79,734	2.1	63,036	1.9	16,698	26.5
Public safety and justice	924,843	8,231	21,192	895,420	23.1	573,048	17.3	322,372	56.3
Public education	899,763	758	159,740	739,265	19.1	656,206	19.7	83,059	12.7
Human support services	1,552,495	2	825,575	726,918	18.6	470,904	14.2	256,014	54.4
Public works	270,598	26,418	-	244,180	6.2	242,594	7.3	1,586	0.7
Receiverships	366,961	58,888	122,844	185,229	4.8	257,993	7.8	(72,764)	(28.2)
Interest and charges	175,058	-	-	175,058	4.5	198,500	5.9	(23,442)	(11.8)
Transfers	243,092	69,450	-	173,642	4.5	135,129	4.0	38,513	28.5
Special Revenue:									
General direction	6,019	6,076	-	(57)	-	-	-	(57)	-
Enterprise:									
Lottery and games	217,466	217,668	-	(202)	-	(309)	-	107	34.6
Trust:									
Expendable	80,896	131,895	-	(50,999)	(1.3)	(36,951)	(1.1)	(14,048)	(38.0)
Component Units:									
Public Benefit Corporation	224,762	165,495	-	59,267	1.5	(27,323)	(0.8)	86,590	316.9
Water and Sewer	195,012	240,674	-	(45,662)	(1.2)	(69,282)	(2.1)	23,620	34.1
Convention Center	15,380	61,514	-	(46,134)	(1.2)	(73,826)	(2.2)	27,692	37.5
Sports Commission	7,034	7,047	-	(13)	-	(557)	-	544	97.7
Housing Finance	65,787	40,593	29,716	(4,522)	(0.1)	8,740	0.3	(13,262)	(151.7)
University	79,622	61,010	10,045	8,567	0.2	(435)	-	9,002	2069.4
Net cost of operating	5,752,895	1,153,025	1,293,206	3,306,664	84.9	2,702,507	81.4	604,157	22.4
CURRENT INCOME	5,752,895	4,594,703	1,728,587	570,395	18.5	615,702	18.6	(45,307)	(7.4)
Cost of Investing (Financing):									
Fixed assets	668,600	51,013	132,224	485,363	12.6	141,341	4.3	344,022	243.4
Long term debt	291,875	189,352	-	102,523	2.9	(340,841)	(10.3)	443,364	130.1
Net cost of investing	960,475	240,365	132,224	587,886	15.5	(199,500)	(6.0)	787,386	394.7
FINANCIAL FLOW IN	6,713,370	4,835,068	1,860,811	(17,491)	(0.6)	815,202	24.5	(832,693)	(102.1)
Reclassification to GAAP Basis:									
Employee benefits	(13,968)	-	-	(13,968)	(0.4)	(102,097)	(3.1)	88,129	86.3
Depreciation	(38,935)	-	-	(38,935)	(1.0)	(32,663)	(1.0)	(6,272)	(19.2)
Fixed assets	233,264	(31,321)	-	264,585	6.8	56,194	1.7	208,391	370.8
Long term debt	71,821	-	-	71,821	1.9	(331,200)	(9.9)	403,021	121.7
Total reclassification	252,182	(31,321)	-	283,503	7.3	(409,766)	(12.3)	693,269	169.2
INCREASE (DECREASE) IN BALANCES	**$ 6,461,188**	**4,866,389**	**1,860,811**	**266,012**	**6.7 %**	**$ 405,436**	**12.2 %**	**$ (139,424)**	**(34.4) %**

Exhibit G-6

GENERAL FUND

SCHEDULE OF CASH FLOWS
Year ended September 30, 2000
($000s)

		2000	1999
Operating Activities:			
Cash receipts from taxes, licenses and fines	$	3,222,168	2,987,010
Cash receipts from payment in lieu of taxes		435,381	157,968
Cash receipts from operating grants		1,083,533	1,159,763
Cash receipts from customers		290,938	91,975
Other cash receipts		182,942	109,200
Cash payments to vendors		(1,692,589)	(1,317,743)
Cash payments to employees		(1,843,997)	(1,513,118)
Cash payments to welfare recipients		(991,607)	(959,932)
Net cash provided		686,769	715,123
Capital and Related Financing Activities:			
Payments of long term debt (1)		(220,054)	(261,534)
Payments of interest and charges (1)		(168,986)	(207,074)
Net cash used		(389,040)	(468,608)
Noncapital Financing Activities:			
Proceeds of refunding bonds		2,689	708,612
Payments of refunded debt		-	(658,192)
Payments of refunding charges		-	(16,121)
Transfers from other funds		69,450	64,225
Transfers to other funds		(51,976)	(51,226)
Transfers to component units		(232,531)	(148,128)
Payments of funding interest (1)		140,439	(215,552)
Receipts (payments) of interfund loans (1)		5,966	36,654
Payments of loan interest (1)		-	(3,662)
Net cash used		(65,963)	(283,390)
Investing Activities:			
Receipts of interest and dividends (1)		31,576	27,438
Net cash provided		31,576	27,438
INCREASE IN CASH		**263,342**	**25,563**
Cash and Investments at October 1		**480,027**	**454,464**
Cash and Investments at September 30	$	**743,369**	**480,027**
Reconciliation of Operating Excess to Net Cash Provided by Operating Activities:			
Excess of revenues over expenditures		453,095	187,257
Adjustments for nonoperating activities (sum of 1s)		211,059	623,730
Decrease (increase) in assets:			
Receivables		198,963	(342,532)
Allowances for uncollectibles		(45,791)	33,015
Inventories		825	39,128
Other current assets		(3,651)	2,305
Increase (decrease) in liabilities:			
Payables		(86,283)	86,821
Accrued liabilities		(6,778)	93,108
Deferred revenue		(33,517)	(10,721)
Other current liabilities		(1,153)	3,012
Net cash provided	$	686,769	715,123

Statistical Section

The statistical section contains tables that differ from financial statements because they usually cover more than two fiscal years and may present nonaccounting data.

Statistical tables reflect social and economic data, financial trends and the fiscal capacity of the District.

Government of the District of Columbia

Office of the Chief Financial Officer

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Exhibit S-1

GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeits	Charges For Services	Miscel-laneous	Total District Sources	Intergovernmental Payments	Intergovernmental Grants	Total (Exhibit A-2)	Excess (Defi-ciency)
1991	2,371,732	32,997	53,026	148,810	125,323	2,731,888	625,231	628,370	3,985,489	333,159
1992	2,384,300	41,856	51,860	148,723	122,952	2,749,691	643,772	695,616	4,089,079	1,986
1993	2,557,852	44,564	51,845	138,156	112,012	2,904,429	635,930	759,845	4,300,204	7,766
1994	2,470,053	49,098	48,107	137,361	127,628	2,832,247	647,930	960,708	4,440,885	(335,428)
1995	2,391,041	47,583	42,447	120,033	128,008	2,729,112	660,000	951,848	4,340,960	(54,428)
1996	2,517,044	49,400	40,792	108,321	116,080	2,831,637	660,000	960,948	4,452,585	(33,688)
1997	2,577,344	45,490	51,664	87,384	142,648	2,904,530	665,702	906,057	4,476,289	185,892
1998	2,815,900	48,123	53,177	80,128	180,604	3,177,932	198,000	1,033,163	4,409,095	444,849
1999	2,892,562	48,247	47,794	276,680	171,590	3,436,873	157,968	1,184,768	4,779,609	134,494
2000	3,127,849	44,446	54,865	174,438	214,518	3,616,116	435,381	1,253,445	5,304,942	240,727

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-2

GENERAL FUND EXPENDITURES AND NET USES BY FUNCTION

Last Ten Fiscal Years
($000s)

Fiscal Year	Govern-mental Direction	Economic Develop-ment	Public Safety	Public Education	Human Services	Public Works	Receiverships	Future Employee Benefits	Joint Venture Subsidy (2)	Debt Service	Net Financing Uses (1)	Total (Exhibit A-2)
1991	155,541	289,644	1,043,279	736,652	1,342,828	294,484	-	(273,006)	-	284,921	(222,013)	3,652,330
1992	142,265	263,003	1,057,508	754,009	1,411,451	289,587	-	(219,517)	-	340,358	48,429	4,087,093
1993	136,630	285,249	1,067,374	754,104	1,636,871	303,366	-	(295,232)	-	351,071	53,005	4,292,438
1994	129,601	286,722	1,106,556	796,138	1,874,348	276,964	-	(73,542)	-	333,413	46,113	4,776,313
1995	131,001	258,514	1,069,910	759,973	1,442,251	253,482	-	75,688	-	344,895	59,674	4,395,388
1996	157,576	150,743	999,298	714,653	1,734,947	278,161	-	(10,733)	-	367,704	93,924	4,486,273
1997	153,777	154,754	994,554	667,384	1,602,026	259,490	-	39,773	-	395,555	23,084	4,290,397
1998	168,292	181,839	550,876	670,205	1,728,752	262,145	-	(142,224)	-	399,862	144,499	3,964,246
1999	329,788	161,824	759,526	737,781	1,283,979	264,334	397,435	102,097	131,604	390,034	100,830	4,659,232
2000	247,664	180,443	924,843	899,763	1,552,495	135,067	366,961	13,968	135,531	395,112	212,368	5,064,215

(1) Financing uses in 1991 includes funding bond proceeds of $336,605.

(2) 1999 amounts were restated for Joint Venture Subsidy, Human Support Services, and Debt Service

Source: Office of Financial Operations and Systems
District of Columbia

Exhibit S-3

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal	Property			Sales and Use		Income and Franchise		Gross	Other	Total
Year	Real (1)	Personal (2)	Rental (2)	General	Selective	Individual	Business	Receipts	Taxes	(Exhibit S-1)
1991	801,876	69,899	10,103	451,582	79,422	615,746	133,279	142,562	67,263	2,371,732
1992	820,892	65,609	16,818	442,496	82,254	620,208	87,877	180,192	67,954	2,384,300
1993	928,322	67,085	16,256	410,068	94,667	589,521	140,998	229,593	81,342	2,557,852
1994	730,641	62,437	17,931	458,555	98,919	650,660	150,208	243,199	57,503	2,470,053
1995	654,284	61,305	14,754	485,651	98,456	643,676	160,679	210,912	61,324	2,391,041
1996	668,749	65,003	12,052	494,427	95,217	689,408	155,623	244,438	92,127	2,517,044
1997	617,694	60,392	9,513	514,635	99,266	753,475	188,093	238,898	95,378	2,577,344
1998	616,935	68,475	10,030	557,081	92,815	861,505	221,597	247,580	139,882	2,815,900
1999	597,566	73,928	8,056	592,718	84,305	952,156	217,595	218,905	147,333	2,892,562
2000	610,896	70,133	11,752	640,212	58,649	1,077,346	261,218	256,033	141,610	3,127,849

(1) The real property tax year was changed from June 30 to September 30 in 1993. Real property tax revenue increased $172,863 in 1993 because taxes due on September 15, 1993, for the six month period ended December 31, 1993, were applied to the three month period ended December 31, 1993 (D.C. Act 10-32).

(2) The personal property and public space rental tax year is from July 1 to June 30. Taxes are due by July 31. One quarter of the taxes is recognized as revenue in the current fiscal year and three quarters are deferred and recognized as revenue in the following fiscal year.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-4

GENERAL FUND CURRENT EXPENDITURES BY OBJECT

Last Ten Fiscal Years
($000s)

Fiscal	Salaries	Total	Future	Contractual		Occu-	Miscellaneous		Total	Cumulative Fund
Year	and Wages	Benefits	Benefits	Services	Supplies	pancy	Assistance	Other	(Exhibit A-3)	Balance (Deficit)
1991	1,513,993	688,186	(273,006)	336,751	89,953	132,024	640,456	461,065	3,589,422	1,570
1992	1,508,717	681,449	(219,517)	336,723	89,953	147,008	664,671	486,823	3,695,827	3,556
1993	1,475,465	814,241	(295,232)	376,811	89,953	150,762	827,078	445,696	3,884,774	11,322
1994	1,553,733	625,146	(73,542)	408,921	89,953	148,100	1,126,107	532,525	4,410,943	(324,106)
1995	1,450,122	425,490	75,688	380,267	89,953	137,791	1,057,085	409,242	4,025,638	(484,561)
1996	1,385,054	543,752	(10,733)	380,138	89,953	117,997	1,152,238	384,687	4,043,086	(518,249)
1997	1,332,704	471,232	39,773	431,612	89,953	130,632	1,045,642	362,825	3,904,373	(332,357)
1998	1,180,964	381,637	(142,224)	433,108	89,953	123,674	829,410	563,311	3,459,833	112,492
1999	1,296,451	142,784	102,097	620,276	89,953	145,785	959,932	661,008	4,018,286	224,210
2000	1,394,643	426,859	13,968	777,730	89,953	153,403	991,607	553,500	4,401,663	464,937

Note: The 1995 Balance (Deficit) reflects a restatement made in 1997. Other 1995 and prior amounts have not been restated.

Source: Office of Financial Operations and Systems
District of Columbia

Exhibit S-5

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
($000s)

Fiscal Year	Tax Levy	Tax Collections (1)			Percent of Collections to Levy		Delinquent Taxes		
		Current	Delinquent	Total	Current	Total	Addition (Deduction)	Out-standing	Percent to Levy
1991	$ 771,588	752,075	16,357	768,432	97.5 %	99.6 %	(638)	10,288	1.3 %
1992	820,919	796,444	23,111	819,555	97.0 %	99.8 %	12,531	24,183	2.9 %
1993	928,934	867,715	21,523	889,238	93.4 %	95.7 %	17,506	81,385	8.8 %
1994	721,924	657,899	49,589	707,488	91.1 %	98.0 %	(31,796)	64,025	8.9 %
1995	720,331	649,020	43,933	692,953	90.1 %	96.2 %	(39,126)	52,277	7.3 %
1996	700,171	632,181	48,905	681,086	90.3 %	97.3 %	(20,898)	50,464	7.2 %
1997	648,166	606,435	21,002	627,437	93.6 %	96.8 %	(22,923)	48,270	7.4 %
1998	638,569	590,249	30,548	620,797	92.4 %	97.2 %	(28,813)	37,229	5.8 %
1999	637,647	554,064	29,078	583,142	86.9 %	91.5 %	(18,448)	73,286	11.5 %
2000	613,385	569,190	23,587	592,777	92.8 %	96.6 %	(56,017)	37,877	6.2 %

(1) Approximately 65 percent of real property tax collections are deposited with fiscal agents, such as commercial banks, for payment of matured bonds and interest.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-6

MAJOR TAX RATES

Last Ten Fiscal Years
($000s)

Fiscal Year	Property (1)						Sales and Use			Income and Franchise (5)		Gross Receipt
	Real					Personal	General	Selective				
	Residential		Commercial					Cigar-ette	Motor Fuel			Public Utility
	Owner Occupied	Tenant Occupied	Hotels	Improved	Unim-proved		(2)	(3)	(4)	Individual	Business	(6)
1991	$ 0.96	1.54	1.85	2.15	3.29	3.10	0.0600	0.30	0.180	.060-.095	0.10500	0.067
1992	0.96	1.54	1.85	2.15	3.29	3.40	0.0600	0.50	0.200	.060-.095	0.10500	0.097
1993	0.96	1.54	1.85	2.15	5.00	3.40	0.0600	0.65	0.200	.060-.095	0.10250	0.097
1994	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.10250	0.100
1995	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1996	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1997	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1998	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1999	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
2000	0.96	1.34	1.85	2.05	2.05	3.40	0.0575	0.65	0.200	.050-.095	0.09975	0.100

Units: (1) Per $100 of assessed value. (2) Per $1 of sales. (3) Per pack. (4) Per gallon. (5) Per $1 of taxable income. (6) Per $1 of gross receipts. First $50,000 in value excluded from tax base.

Source: Office of Tax and Revenue, Office of Research and Analysis
District of Columbia

Exhibit S-7

ASSESSED VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years
($000s)

Fiscal Year	Assessed Value of Property (1)				Commercial Construction		Residential Construction		Bank Deposits (3)
	Commercial	Residential (2)	Total Taxable	Tax Exempt	Number of Units	Value	Number of Units	Value	
1991	25,256,291	19,880,777	45,137,068	27,600,164	34	462,237	64	14,321	12,300,530
1992	27,901,550	20,830,365	48,731,915	33,269,958	24	320,900	59	22,201	12,300,529
1993	24,478,683	20,505,958	44,984,641	31,892,428	29	68,470	21	7,967	9,602,051
1994	22,446,880	21,951,120	44,398,000	32,126,502	29	79,754	45	20,509	9,078,000
1995	21,687,105	20,480,012	42,167,117	32,154,883	5	77,467	67	24,815	8,893,414
1996	20,657,057	22,041,463	42,698,520	29,749,392	12	101,717	80	21,399	9,025,183
1997	19,373,225	22,884,675	42,257,900	30,170,470	57	1,003,761	165	91,170	8,865,299
1998	19,726,319	23,461,404	43,187,723	31,517,981	127	343,121	165	35,851	11,083,673
1999	18,734,933	23,710,565	42,445,498	30,620,782	45	362,692	40	6,746	10,903,390
2000	19,357,631	23,912,435	43,270,066	30,900,682	36	301,372	42	8,217	N/A

(1) Assessed value is 100 percent of estimated actual value.

(2) After deduction of homestead exemptions and credits against tax.

(3) Source - Federal Deposit Insurance Corporation Data Book.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-8

TEN HIGHEST ASSESSED VALUES FOR TAX EXEMPT PROPERTIES

October 1, 2000
($000s)

Property (1)	Value
George Washington University and Hospital	$ 572,905
The International Bank for Reconstruction and Development	418,684
Georgetown University and Hospital	414,135
Howard University	401,060
International Finance Corporation	242,505
American University	194,946
Washington Hospital Center	187,914
National Cathedral	147,749
Inter-American Development Bank	137,681
Catholic University of America	131,426

(1) Excludes Federal, District and foreign government property.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-9

TEN HIGHEST ASSESSED VALUES FOR COMMERCIAL PROPERTIES

October 1, 2000
($000s)

Squares	Lots	Building	Land	Improvements	Total
163	55	1050 Connecticut Avenue, N.W.	$ 56,526	122,091	178,617
106	49	1835 I Street, N.W.	64,478	96,977	161,455
254	837	1331 Pennsylvania Ave., N.W.	77,196	82,332	159,528
2132	32	2660 Woodley Road, N.W.	33,711	118,953	152,664
538	874	300 E Street, S.W.	29,728	114,364	144,092
321	27	555 12th Street, N.W.	61,196	82,700	143,896
465	96	400 7th Street, S.W.	64,762	72,872	137,633
290	43	555 13th Street, N.W.	47,591	89,417	137,008
224	22	613 15th Street, N.W.	50,333	62,737	113,070
456	865	601 E Street, N.W.	28,231	76,769	105,000

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-10

TEN HIGHEST ASSESSED VALUES FOR RESIDENTIAL PROPERTIES

October 1, 2000
($000s)

Squares	Lots	Building	Land	Improvements	Total
2630	819	1940 Shepherd Street, N.W.	$ 5,929	3,039	8,968
1346	822	Foxhall Road, N.W.	7,533	-	7,533
2199	25	2501 30th Street, N.W.	1,414	4,683	6,097
1346	823	1801 Foxhall Road, N.W.	3,765	1,497	5,262
2140	44	2840 Woodland Drive, N.W.	1,991	3,124	5,115
2198	14	2929 Massachusetts Ave, N.W.	1,379	3,505	4,884
1346	824	Foxhall Road, N.W.	4,503	-	4,503
1341	861	2301 Foxhall Road, N.W.	3,826	670	4,497
1285	3	1623 28th Street, N.W.	2,161	2,096	4,257

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-11

COMPUTATION OF LEGAL DEBT LIMITATION

Last Two Fiscal Years
($000s)

Description	Source	2000	1999
Revenues:			
General Fund:			
District sources	Exhibit S-1	3,616,116	3,423,806
Payment in lieu of taxes	Exhibit S-1	435,381	157,968
Subtotal		4,051,497	3,581,774
Less - court fees	Exhibit A-4	-	-
Total revenues		$ 4,051,497	3,581,774
Principal and interest:			
General Fund:			
Principal	Exhibit S-13	220,054	261,534
Interest	Exhibit S-13	172,326	191,903
Total principal and interest (current year)		$ 392,380	453,437
Highest future year debt service cost		$ 327,044	346,992
Percent of Principal and Interest to Revenues (1)		9.7%	12.7%

(1) Under the District of Columbia Self-Government and Governmental Reorganization Act, no long term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long term debt to exceed 17 percent of the revenues of the fiscal year in which the debt is issued. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997, accounting for the decrease in revenues from the repeal of the Federal payment in lieu of taxes and the loss of court revenues.

1998 amounts restated to reflect exclusion of revenue and debt of the Water and Sewer Fund, in accordance with the Home Rule Act Section 603(b)(1).

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-12

PERCENT OF GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND GENERAL OBLIGATION DEBT PER CAPITA

Last Ten Fiscal Years
($000s)

Fiscal Year	General Obligation Debt (Note 5A) (1)			Assessed Value (Exhibit S-7)	Percent of Debt To Assessed Value	Population (Exhibit S-14)	Debt Per Capita (3)
	Component Unit (2)	General	Total				
1991	319,292	2,893,265	3,212,557	45,137,068	7.1%	593,820	5,410
1992	313,742	3,026,047	3,339,789	48,731,915	6.9%	584,897	5,710
1993	324,295	3,230,865	3,555,160	44,984,641	7.9%	577,180	6,160
1994	337,760	3,314,312	3,652,072	44,398,000	8.2%	565,796	6,455
1995	323,172	3,157,003	3,480,175	42,167,117	8.3%	552,466	6,299
1996	303,719	2,965,756	3,269,475	42,698,520	7.7%	539,646	6,059
1997	282,100	3,084,763	3,366,863	42,257,900	8.0%	529,895	6,354
1998	114,122	3,091,403	3,205,525	43,187,723	7.4%	523,124	6,128
1999	107,662	3,098,582	3,206,244	42,445,498	7.6%	519,100	6,177
2000	100,147	3,109,728	3,209,875	43,270,066	7.4%	572,059	5,611

(1) There is no revenue, special assessment or overlapping debt.
(2) A portion of the general obligation debt was incurred for the benefit of the Water and Sewer Authority which services that debt as a matter of discretionary financial policy.
(3) These amounts are not expressed in thousands.

Source: Office of Budget and Planning
District of Columbia

Exhibit S-13

PERCENT OF DEBT SERVICE TO GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Debt Service (Exhibit A-2) Principal	Interest (1)	Fiscal Charges	Total	General Fund Expenditures (Exhibit S-2)	Percent of Debt Service to General Fund Expenditures
1991	$ 97,792	177,452	9,677	284,921	3,652,330	7.8%
1992	128,917	204,181	7,260	340,358	4,087,093	8.3%
1993	151,675	193,641	5,755	351,071	4,292,438	8.2%
1994	139,515	186,878	7,020	333,413	4,776,313	7.0%
1995	157,308	184,510	3,077	344,895	4,395,388	7.8%
1996	191,247	173,807	2,650	367,704	4,486,273	8.2%
1997	207,903	174,085	13,567	395,555	4,290,397	9.2%
1998	219,435	171,430	8,997	399,862	3,964,246	10.1%
1999	261,534	191,903	6,597	460,034	4,597,628	10.0%
2000	220,054	172,326	2,732	395,112	5,064,215	7.8%

(1) Excludes accreted interest on capital appreciation bonds.

Source: Office of Budget and Planning
District of Columbia

Exhibit S-14

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Popula-tion (1)	Per Capita Income (2)	Median Age	Hospital Patient Days	Schools Students	Schools Teachers	University Students	University Graduates	Employ-ment	Unemploy-ment Rate
1991	593,820	27,040	33.7	125,385	80,618	6,305	6,901	919	678,800	7.5%
1992	584,897	29,226	33.9	126,898	80,937	6,453	7,007	859	674,500	8.5%
1993	577,180	30,475	34.2	119,130	80,937	6,231	6,590	871	671,500	8.7%
1994	565,796	31,860	34.5	108,160	80,678	6,233	6,476	595	662,000	8.3%
1995	552,466	33,452	34.9	83,219	80,450	6,038	6,518	927	646,900	8.7%
1996	539,646	33,435	n/a	72,778	79,802	5,695	5,863	1,041	633,100	8.7%
1997	529,895	34,932	36.0	68,375	78,648	5,062	4,754	961	612,700	7.7%
1998	523,124	36,248	36.3	62,683	77,111	5,482	5,284	692	611,000	8.5%
1999	519,100	38,721	37.2	65,695	71,899	5,267	5,181	576	616,400	6.1%
2000	572,059	39,858	37.6	62,914	70,762	5,030	5,358	554	619,900	5.5%

(1) Source: Federal Bureau of the Census

(2) Source: Federal Department of Commerce, Bureau of Economic Analysis

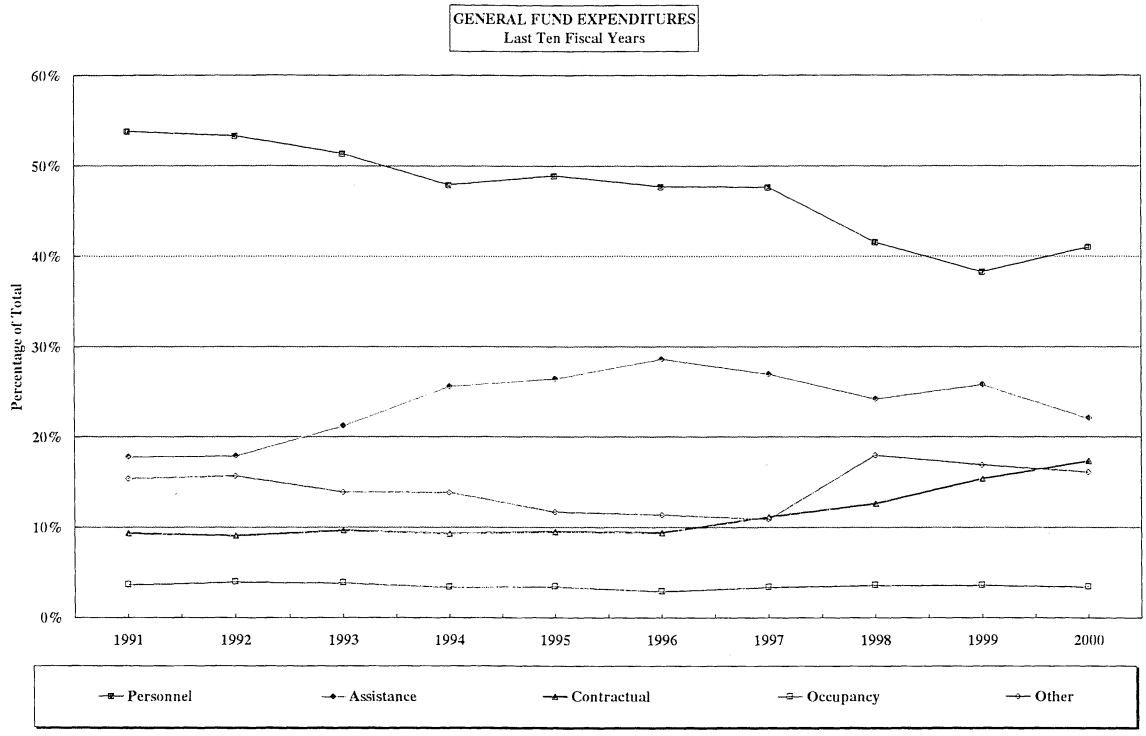
Exhibit S-15

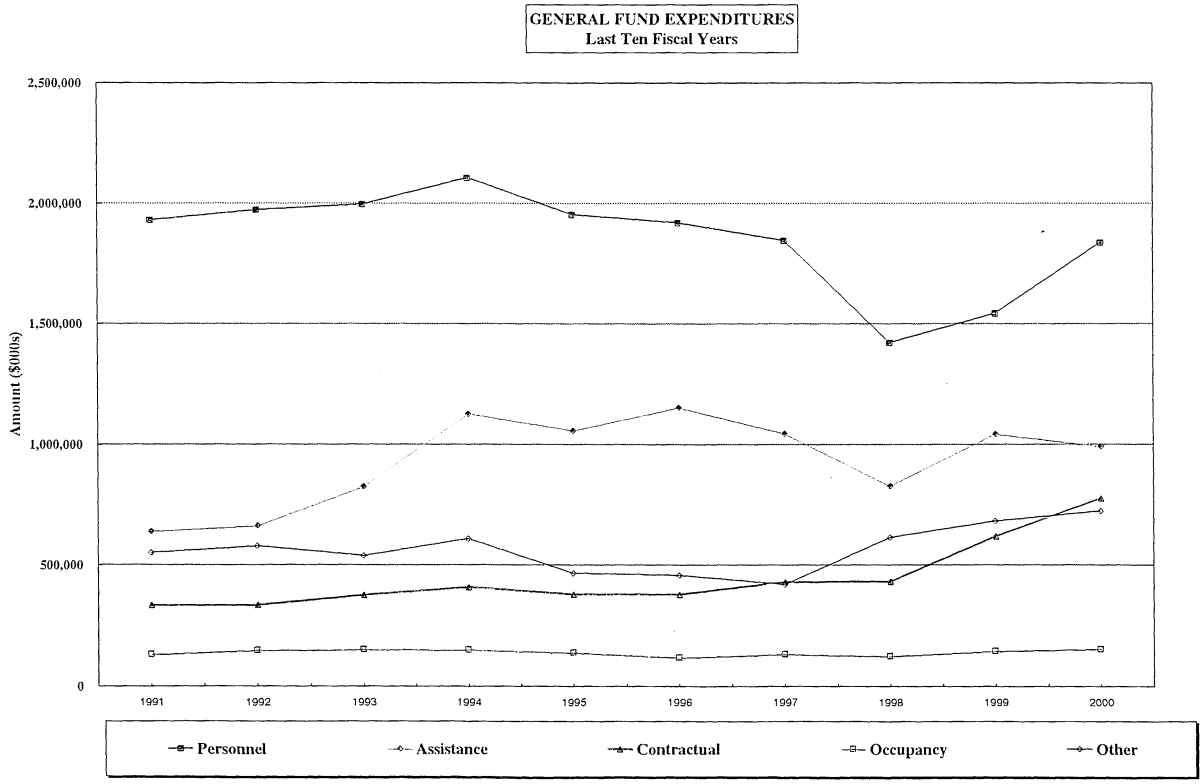
MISCELLANEOUS STATISTICS

Last Two Fiscal Years

Description	2000	1999
Area (square miles):		
Federal and foreign governments	22.9	22.9
District government	2.6	2.4
Streets and alleys	16.7	16.7
Taxable base	19.7	19.9
Total area	61.9	61.9
Employees (authorized, permanent, full-time):		
Governmental direction and support	1,953	2,187
Economic development and regulation	1,205	1,014
Public safety and justice	8,244	8,548
Public education system	9,662	8,495
Human support services	4,666	3,086
Public works	1,718	1,235
Total employees	27,448	24,565
Police Protection:		
Number of stations including satellites	13	11
Number of police officers	3,599	3,484
Crime index offenses	39,651	42,671
Fire Protection:		
Number of stations	33	33
Number of fire fighters	1,204	1,179
Transportation:		
Number of street lights	76,565	66,507
Number of traffic signalized intersections	1,519	1,510
Number of motor vehicle registrations (1/1-12/31)	288,866	237,832
Number of operator licenses issued (1/1-12/31)	148,216	120,755
Water:		
Number of consumers	127,882	127,401
Average daily consumption (in millions of gallons)	134	139
Miles of mains	1,300	1,300
Sewers:		
Miles of mains	1,800	1,800
Daily maximum capacity (in millions of gallons)	740	740
Economic:		
Taxable retail sales (in millions)	$8,298	$7,730
Unemployment claims accepted	22,113	22,440
Unemployment claims rejected	6,002	7,475
Recreation:		
Number of centers and playgrounds	77	77
Number of day camps	3	3
Number of outdoor swimming pools	35	35
Number of indoor swimming pools	7	6
Libraries:		
Number of main and branch buildings	22	22
Number of community and kiosk facilities	5	5
Number of volumes	2,756,244	2,562,452
Education:		
Number of public schools	146	149

Source: Office of Tax and Revenue
District of Columbia


GENERAL FUND EXPENDITURES
Last Ten Fiscal Years
60%
50%
40%
30%
20%
10%
0%
Percentage of Total
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
Personnel
Assistance
Contractual
Occupancy
Other


GENERAL FUND EXPENDITURES
Last Ten Fiscal Years
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Amount ($000s)
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
Personnel
Assistance
Contractual
Occupancy
Other

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Front and back cover photos
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